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Green Team Group A/S

Simmelbrovej 44
7260 Sønder Omme
Central Business Registration
No 33057539

Annual report 01.07.2017 - 30.06.2018

The Annual General Meeting adopted the annual report on 29.11.2018

Chairman of the General Meeting

Name: Steffen Kjeld Thomsen

Contents

Entity details

Entity
Green Team Group A/S
Simmelbrovej 44
7260 Sønder Omme

Central Business Registration No (CVR): 33057539
Registered in: Billund
Financial year: 01.07.2017 - 30.06.2018

Phone: 76504060
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Website: www.greenteam-europe.com

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

Executive Board
Sune Graae Norsker, managing director

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Egtved Allé 4
6000 Kolding

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Green Team Group A/S for the financial year 01.07.2017 - 30.06.2018.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2018 and of the results of its operations and cash flows for the financial year 01.07.2017 - 30.06.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Sønder Omme, 25.09.2018

Executive Board

Sune Graae Norsker
managing director

Board of Directors

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

Independent auditor's report

To the shareholders of Green Team Group A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Green Team Group A/S for the financial year 01.07.2017 - 30.06.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, 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 30.06.2018, and of the results of their operations and the consolidated cash flows for the financial year 01.07.2017 - 30.06.2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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.

Kolding, 25.09.2018

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

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

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

Management commentary

	2017/18 DKK'000	2016/17 DKK'000	2015/16 DKK'000	2014/15 DKK'000	2013/14 DKK'000
Financial highlights					
Key figures					
Gross loss	(3.020)	(156.088)	51.017	141.425	(37.948)
EBITDA	(37.619)	(196.570)	8.013	102.975	(81.127)
Operating profit/loss	(41.734)	(206.254)	4.894	92.602	(88.287)
Net financials	(15.786)	(8.993)	(18.241)	(28.063)	(953)
Profit/loss for the year	(58.664)	(198.531)	7.425	61.768	(66.355)
Profit/loss for the year excl minority interests	(58.124)	(196.598)	7.338	65.764	(44.996)
Total assets	744.215	755.344	933.918	947.739	941.563
Investments in property, plant and equipment	1.720	2.432	7.210	4.945	1.777
Equity	247.998	308.127	407.044	436.702	363.982
Net interest-bearing debt	426.470	419.318	454.492	396.774	337.650
Average numbers of employees	54	57	62	66	62
Ratios					
Return on equity (%)	(21)	(55)	2	16	(12)
Equity ratio (%)	34	39	44	46	38

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	**Calculation formula**	**Calculation formula reflects**
Return on equity (%)	$\frac{\text{Profit/loss for the year excl minority interests} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the Entity.

Management commentary

Primary activities
Green Team Group A/S ("the Group"), through its subsidiary Majland A/S, operates a nursery producing Nordmann fir seedlings and, through its subsidiary Green Team Holding A/S, produces and sales Christmas trees and greenery.

The Group operates in all stages of the value chain - from seeds to full-grown Christmas trees.

Development in activities and finances
Green Team Group has experienced an increase in sales of our own production in financial year 2017/18, and we balance production and sales. We operate in a competitive market and the supply situation has had a large impact on the prices of all our products. We are starting to see an improvement in the situation and we expect a significant price increase in the years to come.

The increased share of own-produced trees as well as the transparent collaboration with European retailers will further increase the Group's competitiveness in terms of quality, delivery performance and cost efficiency. The Group has a mature and evenly age-distributed production in several parts of Europe, which gives the Group competitive advantages.

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

The Group loss before tax and minority interests for the financial year 2017/18 amounts to DKK 57.5 million compared to a loss of DKK 215.2 million for the same period last year. The operating loss amounts to DKK 41.7 million compared to a loss of DKK 206.3 million for the same period last year.

A profit for the current year was expected hence management considers the financial performance as unsatisfactory, partly due to the temporary price pressure in the market.

The Group's total assets amount to DKK 744 million, primarily made up of trees and plants in inventory (88% of total assets). The Group has 19.1 million Christmas trees in the production companies located mainly in Scotland, Denmark and Poland and 40,0 million plants in the Majland A/S nursery. Production facilities amount to DKK 55.7 million (7% of total assets), of which DKK 48.2 million relates to land and buildings, mainly located in Denmark.

The Group's equity at financial year-end was DKK 248.0 million, corresponding to a solvency ratio of 34%.

The Group's bank has provided the necessary credit facilities to cover next year's liquidity needs according to the Group's long-term financial plan.

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

Management commentary

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

In total, the Group owns 19.1 million Christmas trees in Denmark, UK and Poland. On June 30, 2018 the average value per tree was DKK 31.4.

Outlook

In the coming years, we will pursue a continued stable and controlled expansion of the Group's business volume. After the reduction of production areas in 16/17, the Group has obtained a balance between production volume and sales.

Focus will be on the continued strengthening of the Group's market position. Furthermore, the Group may take an active part in the industry consolidation that is expected in the coming years.

Management expects a better result for the next year.

In the coming years, the Group will strive to primarily cover market demand for Christmas trees with the Group's own production, complemented with purchase of trees from other producers. The production and assortment will be adapted to regional market needs.

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

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

Particular risks

General risks

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

Financial risks

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

Management commentary

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

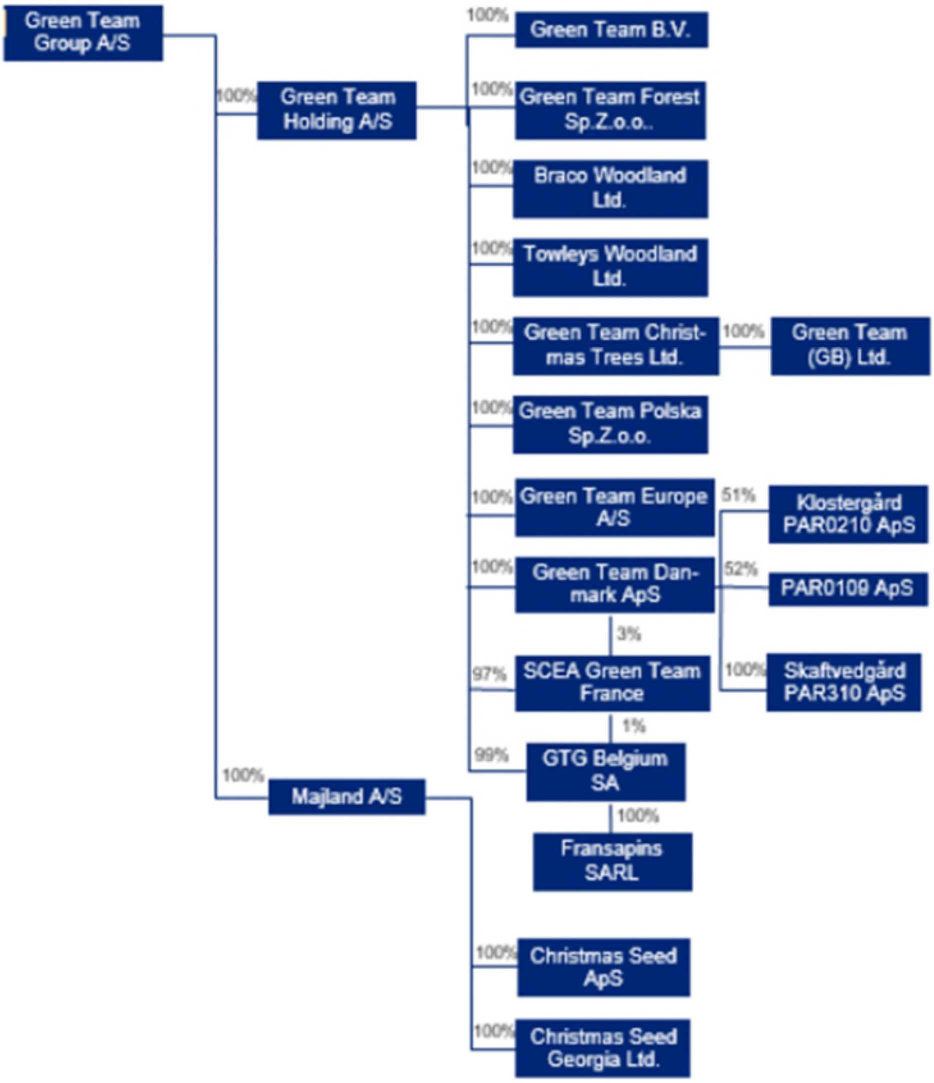
Brexit and the development of the GBP that followed had a negative impact on equity. However, it is management’s assessment that the Group will strengthen its competitiveness in the future with its own production in Scotland and domestic sales in the UK.

Interest rate risk
It is Group policy to partially hedge interest rate risks on loans. There is a regular monitoring of interest costs and risks.

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

Management commentary

Group relations



Statutory report on corporate social responsibility

While the Group is not required to give a statutory report on corporate social responsibility, the Group is committed to operating as a socially responsible company.

The Group produces and markets products with full documentation in terms of labor, environment and traceability throughout the entire value chain. This contributes to strong partnerships with our customers and gives the big European retailers security. The nursery subsidiary Global GAP and BSCI certified. The Group's plantations in Europe are all Global GAP certified. The Group is currently the only Christmas tree producer and seller on the market that can offer Christmas trees with full documentation from seed to tree.

Management commentary

In 2011, the Group joined the UN's Global Compact program, which is an international initiative with ten principles that focus on responsible business. Besides that, the Group has, during the past year, been through several audits and approvals by large European retailers with their own certifications and requirements for suppliers.

Market
The European consumption of Christmas trees has been relatively stable over the last couple of years and demand is expected to continue to be stable in the coming years. However, due to a short-term oversupply of Christmas trees there are intensified competition and decreasing prices in the market. Currently, structural changes are occurring among producers, wholesalers and retailers. The present adverse imbalance in supply / demand is expected to improve to a more natural long-term level within 1-2 years and thereafter stabilized at a better and sustainable price level.

Strategy
The Group's strategy remains unchanged. Focus is to continue production of Nordmann plants and trees, with full insight, control and optimization of the entire value chain from seed to consumer. Production is characterized by economies of scale, significant supply capacity and well-planned risk diversification due to the geographical dispersion of production and sales.

The nursery Majland A/S acts independently in relation to European Christmas tree producers, but cooperates within innovation, administration and other areas with the other companies in the Group.

Organization
In April 2018, Sune Graae Norsker took over as CEO to further strengthen the production, sales and supply-chain.

The Group has a competent organization, characterized by experience and skills. The age distribution is good, with an average seniority of 5 years. There is national and cultural diversity with a total of 9 different nationalities represented by employees throughout the Group.

In 2017-18 all financial operations have been performed by the in-house financial department, and the Group has conducted significant initiatives in administrative areas. To ensure future growth in production and sales, the organization and IT systems have been strengthened in these areas as well.

In the past year, we have completed analysis and optimization of the Group's administrative processes. This has contributed to a higher quality, better information and decisions as well a higher integration between work processes and IT processes.

The Group has several foreign companies focused on either production or sales. The companies are independent

legal entities, but management and operations are all tightly integrated into the Group.

The Board is well composed and possesses expertise in relevant areas.

Management commentary

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 2017/18

	Notes	2017/18 DKK	2016/17 DKK
Gross loss		**(3.019.577)**	**(156.088.113)**
Staff costs	1	(34.599.768)	(40.482.211)
Depreciation, amortisation and impairment losses	2	(4.114.784)	(9.683.908)
Operating profit/loss		**(41.734.129)**	**(206.254.232)**
Other financial income	3	1.323.563	11.953.133
Other financial expenses	4	(17.109.396)	(20.946.291)
Profit/loss before tax		**(57.519.962)**	**(215.247.390)**
Tax on profit/loss for the year	5	(1.144.322)	16.715.942
Profit/loss for the year	6	**(58.664.284)**	**(198.531.448)**

Consolidated balance sheet at 30.06.2018

	Notes	2017/18 DKK	2016/17 DKK
Acquired licences		278.527	373.138
Goodwill		2	2
Intangible assets	7	**278.529**	**373.140**
Land and buildings		48.231.788	50.305.554
Other fixtures and fittings, tools and equipment		7.457.774	10.349.064
Property, plant and equipment	8	**55.689.562**	**60.654.618**
Investments in associates		0	0
Other receivables		225	224
Fixed asset investments	9	**225**	**224**
Fixed assets		**55.968.316**	**61.027.982**
Raw materials and consumables		652.128.444	652.257.788
Inventories		**652.128.444**	**652.257.788**
Trade receivables		12.191.553	8.505.912
Deferred tax	11	1.855.595	9.493.305
Other receivables		8.120.248	7.899.159
Prepayments		13.199.043	14.998.318
Receivables		**35.366.439**	**40.896.694**
Cash		**752.070**	**1.161.876**
Current assets		**688.246.953**	**694.316.358**
Assets		**744.215.269**	**755.344.340**

Consolidated balance sheet at 30.06.2018

	Notes	2017/18 DKK	2016/17 DKK
Contributed capital		100.624.116	100.624.116
Share premium		200.456.803	200.456.803
Retained earnings		(48.471.820)	11.117.067
Equity attributable to the Parent's owners		**252.609.099**	**312.197.986**
Share of equity attributable to minority interests		**(4.611.268)**	**(4.071.396)**
Equity		**247.997.831**	**308.126.590**
Deferred tax	11	0	3.339.615
Other provisions		28.668.549	23.346.614
Provisions		**28.668.549**	**26.686.229**
Mortgage debt		25.643.002	28.021.630
Bank loans		200.000.000	195.000.000
Finance lease liabilities		2.868.054	5.386.466
Other payables		8.531.457	9.670.880
Non-current liabilities other than provisions	12	**237.042.513**	**238.078.976**
Current portion of long-term liabilities other than provisions	12	4.320.316	2.806.562
Bank loans		185.859.362	150.145.042
Trade payables		30.820.832	20.899.360
Other payables		9.505.866	8.601.581
Current liabilities other than provisions		**230.506.376**	**182.452.545**
Liabilities other than provisions		**467.548.889**	**420.531.521**
Equity and liabilities		**744.215.269**	**755.344.340**

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Consolidated statement of changes in equity for 2017/18

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Share of equity attributable to minority interests DKK
Equity beginning of year	100.624.116	200.456.803	11.117.067	(4.071.395)
Other entries on equity	0	0	(1.464.476)	0
Profit/loss for the year	0	0	(58.124.411)	(539.873)
Equity end of year	**100.624.116**	**200.456.803**	**(48.471.820)**	**(4.611.268)**

	Total DKK
Equity beginning of year	308.126.591
Other entries on equity	(1.464.476)
Profit/loss for the year	(58.664.284)
Equity end of year	**247.997.831**

Consolidated cash flow statement for 2017/18

	Notes	2017/18 DKK	2016/17 DKK
Operating profit/loss		(41.734.129)	(206.254.232)
Amortisation, depreciation and impairment losses		4.440.701	13.731.918
Other provisions		5.321.934	2.220.229
Working capital changes	13	7.708.221	169.499.064
Other adjustments		(8.278.190)	11.213.358
Cash flow from ordinary operating activities		**(32.541.463)**	**(9.589.663)**
Financial income received		1.323.563	853.037
Financial expenses paid		(12.477.844)	(20.946.291)
Income taxes refunded/(paid)		5.574.418	5.821.408
Cash flows from operating activities		**(38.121.326)**	**(23.861.509)**
Acquisition etc of property, plant and equipment		(1.719.946)	(2.431.741)
Sale of property, plant and equipment		1.625.169	1.471.228
Cash flows from investing activities		**(94.777)**	**(960.513)**
Loans raised		0	35.000.000
Repayments of loans etc		(1.584.482)	(141.401)
Incurrence of lease obligations		689.000	1.251.195
Reduction of lease commitments		(2.487.803)	(2.139.151)
Cash increase of capital		0	99.481.931
Subordinate loan capital		0	(45.837.443)
Cash flows from financing activities		**(3.383.285)**	**87.615.131**
Increase/decrease in cash and cash equivalents		**(41.599.388)**	**62.793.109**
Cash and cash equivalents beginning of year		(148.983.166)	(211.410.639)
Currency translation adjustments of cash and cash equivalents		475.262	(365.636)
Cash and cash equivalents end of year		**(190.107.292)**	**(148.983.166)**
Cash and cash equivalents at year-end are composed of:			
Cash		752.070	1.161.876
Short-term debt to banks		(190.859.362)	(150.145.042)
Cash and cash equivalents end of year		**(190.107.292)**	**(148.983.166)**

Notes to consolidated financial statements

	2017/18 DKK	2016/17 DKK
1. Staff costs		
Wages and salaries	24.780.731	32.308.847
Pension costs	2.343.370	2.433.663
Other social security costs	236.460	307.756
Other staff costs	7.239.207	5.431.945
	34.599.768	**40.482.211**
Average number of employees	**54**	**57**

	Remuneration of management 2016/17 DKK
Total amount for management categories	2.024.257
	2.024.257

	2017/18 DKK	2016/17 DKK
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	92.380	222.734
Depreciation of property, plant and equipment	4.348.685	6.025.577
Profit/loss from sale of intangible assets and property, plant and equipment	(326.281)	3.435.597
	4.114.784	**9.683.908**

	2017/18 DKK	2016/17 DKK
3. Other financial income		
Exchange rate adjustments	0	11.100.096
Other financial income	1.323.563	853.037
	1.323.563	**11.953.133**

	2017/18 DKK	2016/17 DKK
4. Other financial expenses		
Exchange rate adjustments	4.631.552	0
Other financial expenses	12.477.844	20.946.291
	17.109.396	**20.946.291**

Notes to consolidated financial statements

	2017/18 DKK	2016/17 DKK
5. Tax on profit/loss for the year		
Current tax	50	(5.399.559)
Change in deferred tax	1.144.272	(11.316.383)
	1.144.322	**(16.715.942)**

	2017/18 DKK	2016/17 DKK
6. Proposed distribution of profit/loss		
Retained earnings	(58.124.411)	(196.598.421)
Minority interests' share of profit/loss	(539.873)	(1.933.027)
	(58.664.284)	**(198.531.448)**

	Acquired licences DKK	Goodwill DKK
7. Intangible assets		
Cost beginning of year	3.875.126	17.624.441
Exchange rate adjustments	0	(24.806)
Disposals	(2.231)	0
Cost end of year	**3.872.895**	**17.599.635**
Amortisation and impairment losses beginning of year	(3.501.988)	(17.624.439)
Exchange rate adjustments	0	24.806
Amortisation for the year	(92.380)	0
Amortisation and impairment losses end of year	**(3.594.368)**	**(17.599.633)**
Carrying amount end of year	**278.527**	**2**

Notes to consolidated financial statements

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK
8. Property, plant and equipment		
Cost beginning of year	58.651.157	33.621.438
Exchange rate adjustments	0	(61.687)
Additions	0	1.719.946
Disposals	(1.142.413)	(4.160.633)
Cost end of year	**57.508.744**	**31.119.064**
Revaluations beginning of year	0	51.983
Exchange rate adjustments	0	(1.646)
Revaluations end of year	**0**	**50.337**
Depreciation and impairment losses beginning of year	(8.345.603)	(23.324.357)
Exchange rate adjustments	(1)	309.167
Depreciation for the year	(931.352)	(3.417.333)
Reversal regarding disposals	0	2.720.896
Depreciation and impairment losses end of year	**(9.276.956)**	**(23.711.627)**
Carrying amount end of year	**48.231.788**	**7.457.774**
Recognised assets not owned by entity	**-**	**5.455.233**

	Investments in associates DKK	Other receivables DKK
9. Fixed asset investments		
Cost beginning of year	1.064.394	2.677.400
Exchange rate adjustments	2.277	5.725
Cost end of year	**1.066.671**	**2.683.125**
Impairment losses beginning of year	(1.064.394)	(2.677.176)
Exchange rate adjustments	(2.277)	(5.724)
Impairment losses end of year	**(1.066.671)**	**(2.682.900)**
Carrying amount end of year	**0**	**225**

Notes to consolidated financial statements

	Registered in	Equity interest %
10. Associates		
Hansen Faeskola	Hungary	25,0

11. Deferred tax

Deferred tax assets comprise temporary differences including tax losses written down to the extent that these are expected to be utilized.

	Due within 12 months 2017/18 DKK	Due within 12 months 2016/17 DKK	Due after more than 12 months 2017/18 DKK	Outstanding after 5 years DKK
12. Liabilities other than provisions				
Mortgage debt	1.355.146	561.000	25.643.002	20.222.157
Bank loans	0	0	200.000.000	0
Finance lease liabilities	2.965.170	2.245.562	2.868.054	0
Other payables	0	0	8.531.457	0
	4.320.316	**2.806.562**	**237.042.513**	**20.222.157**

	2017/18 DKK	2016/17 DKK
13. Change in working capital		
Increase/decrease in inventories	129.344	163.507.891
Increase/decrease in receivables	(2.107.456)	10.266.323
Increase/decrease in trade payables etc	12.611.712	3.769.743
Other changes	(2.925.379)	(8.044.893)
	7.708.221	**169.499.064**

14. Unrecognised rental and lease commitments

The Group has concluded lease agreements on land and other fixtures and fittings, tools and equipment. The leases run for up to 10 years. The total liability ammounts to DKK 61,640k.

Notes to consolidated financial statements

15. Assets charged and collateral

Mortgage debt of DKK 26,998k (2016/17: DKK 28,583k) is secured by way of mortgage on properties. The book value of pledged properties and land amounts to DKK 44,659k (2016/17: DKK 46,556k).

Bank debt is secured by way of a deposited mortgage deed registered to the mortgagor on plant of DKK 60,000k (2016/17: DKK 60,000k) nominal.

Bank debt is secured by way of floating charges on trade receivables, inventories, other fixtures, fittings, tool and equipment, goodwill and rights. The floating charges have a nominal value of DKK 67,000k (2016/17: DKK 67,000k).

16. Transactions with related parties

All transactions with related parties have been carried out on market terms.

17. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group: Adelis Equity Partners AB, Stockholm, Sweden.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: Green Team Group A/S, Sønder Omme, CVR no. 33057539.

The consolidated financial statements for the largest group can be obtained upon request to Adelis Equity Partners AB, Biblioteksgatan 11, 111 46 Stockholm, Sweden.

Notes to consolidated financial statements

18. Subsidiaries	Registered in	Corporate form	Equity interest %
Majland A/S	Denmark	Plc.	100,0
Christmas Seed ApS	Denmark	Plc.	100,0
Green Team France 2 SARL	France	Plc.	100,0
Green Team Holding A/S	Denmark	Plc.	100,0
Green Team Europe A/S	Denmark	Plc.	100,0
Green Team Forest Sp. Z.o.o.	Poland	Plc.	100,0
Green Team B.V.	The Netherlands	Plc.	100,0
Braco Woodland Ltd.	UK	Plc.	100,0
Towleys Woodland Ltd.	UK	Plc.	100,0
Green Team Christmas Trees Ltd.	UK	Plc.	100,0
Green Team Danmark ApS	Denmark	Plc.	100,0
Green Team Polska Sp. Z.o.o.	Poland	Plc.	100,0
SCEA Green Team France	France	Plc.	100,0
Green Team (GB) Ltd.	UK	Plc.	100,0
PAR0109 ApS	Denmark	Plc.	52,0
Klostergård PAR210 ApS	Denmark	Plc.	51,0
Skaftvedgård PAR310 ApS	Denmark	Plc.	100,0
GTG Belgium SA	Belgium	Plc.	100,0

Parent income statement for 2017/18

	Notes	2017/18 DKK	2016/17 DKK
Gross loss		**(171.823)**	**(205.380)**
Income from investments in group enterprises		(61.335.470)	(186.931.056)
Other financial income	2	4.660.873	4.547.650
Other financial expenses	3	(372.501)	(2.276.368)
Profit/loss before tax		**(57.218.921)**	**(184.865.154)**
Tax on profit/loss for the year	4	(905.491)	(454.498)
Profit/loss for the year	5	**(58.124.412)**	**(185.319.652)**

Parent balance sheet at 30.06.2018

	Notes	2017/18 DKK	2016/17 DKK
Investments in group enterprises		66.965.543	129.690.258
Fixed asset investments	6	**66.965.543**	**129.690.258**
Fixed assets		**66.965.543**	**129.690.258**
Receivables from group enterprises		213.617.644	193.005.383
Prepayments	7	12.548	10.092
Receivables		**213.630.192**	**193.015.475**
Current assets		**213.630.192**	**193.015.475**
Assets		**280.595.735**	**322.705.733**

Parent balance sheet at 30.06.2018

	Notes	2017/18 DKK	2016/17 DKK
Contributed capital	8	100.624.116	100.624.116
Share premium		165.775.623	165.775.623
Reserve for net revaluation according to the equity method		(1.563.632)	(174.387)
Retained earnings		(12.372.772)	45.751.640
Equity		**252.463.335**	**311.976.992**
Payables to group enterprises		25.000.000	0
Non-current liabilities other than provisions		**25.000.000**	**0**
Bank loans		346.998	8.269.926
Trade payables		0	76.424
Payables to group enterprises		1.679.464	1.497.898
Income tax payable		1.030.939	738.727
Other payables		74.999	145.766
Current liabilities other than provisions		**3.132.400**	**10.728.741**
Liabilities other than provisions		**28.132.400**	**10.728.741**
Equity and liabilities		**280.595.735**	**322.705.733**
Staff costs	1		
Contingent liabilities	9		
Related parties with controlling interest	10		
Transactions with related parties	11		

Parent statement of changes in equity for 2017/18

	Contributed capital DKK	Share premium DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK
Equity beginning of year	100.624.116	165.775.623	(174.387)	45.751.640
Exchange rate adjustments	0	0	(1.438.657)	0
Other entries on equity	0	0	49.412	0
Transfer to reserves	0	0	61.335.470	(61.335.470)
Profit/loss for the year	0	0	(61.335.470)	3.211.058
Equity end of year	**100.624.116**	**165.775.623**	**(1.563.632)**	**(12.372.772)**

	Total DKK
Equity beginning of year	311.976.992
Exchange rate adjustments	(1.438.657)
Other entries on equity	49.412
Transfer to reserves	0
Profit/loss for the year	(58.124.412)
Equity end of year	**252.463.335**

Notes to parent financial statements

	2017/18	2016/17
1. Staff costs		
Average number of employees	**0**	**0**

	2017/18 DKK	2016/17 DKK
2. Other financial income		
Financial income arising from group enterprises	4.658.864	4.547.650
Exchange rate adjustments	2.009	0
	4.660.873	**4.547.650**

	2017/18 DKK	2016/17 DKK
3. Other financial expenses		
Financial expenses from group enterprises	35.950	1.081.158
Exchange rate adjustments	0	634
Other financial expenses	336.551	1.194.576
	372.501	**2.276.368**

	2017/18 DKK	2016/17 DKK
4. Tax on profit/loss for the year		
Current tax	905.491	454.498
	905.491	**454.498**

	2017/18 DKK	2016/17 DKK
5. Proposed distribution of profit/loss		
Transferred to reserve for net revaluation according to the equity method	(61.335.470)	(127.374.359)
Retained earnings	3.211.058	(57.945.293)
	(58.124.412)	**(185.319.652)**

Notes to parent financial statements

	Invest-ments in group enterprises DKK
6. Fixed asset investments	
Cost beginning of year	189.421.341
Cost end of year	**189.421.341**
Revaluations beginning of year	(59.731.083)
Exchange rate adjustments	(1.438.657)
Share of profit/loss for the year	(61.335.470)
Other adjustments	49.412
Revaluations end of year	**(122.455.798)**
Carrying amount end of year	**66.965.543**

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

	Number	Par value DKK	Nominal value DKK
8. Contributed capital			
Share class A	561.071	1	561.071
Share class B	573.233	1	573.233
Share class C	7.881	1	7.881
Share class D	49.481.931	1	49.481.931
Share class E	50.000.000	1	50.000.000
	100.624.116		**100.624.116**

9. Contingent liabilities

The Company umlimitedly guarantees bank debt, lease contracts etc. for companies in the Group. The secured bank debt amounts to DKK 393 million (2016/17: DKK 353 million).

The Company guarantees the limit on financial contracts in Green Team Holding A/S. The guaranteed limit on the facility amounts to DKK 25 million. (2016/17: DKK 25 million).

The Entity participates in a Danish joint taxation arrangement in which Adelis Services I ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from 1 July 2012 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

Notes to parent financial statements

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10. Related parties with controlling interest

The following parties have controlling interest:

Green Team Group Invest AB, Sundsvall, Sweden.

11. Transactions with related parties

All transactions with related parties have been carried out on market terms.

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.

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.

Income statement
Gross profit or loss
Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

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

Fair value adjustments of investment property
Fair value adjustment of investment properties for the financial year of the Entity's investment properties measured at fair value at the balance sheet date.

Accounting policies

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. This item also includes writedowns of receivables recognised in current assets.

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

Depreciation, amortisation and impairment losses
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.

Other financial income
Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital 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.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, 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.

Accounting policies

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is 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 10 years. Useful lives are reassessed annually. The amortisation periods used are 5-20 years.

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

Intellectual property rights etc

Intellectual property rights etc comprise intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

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, but over no more than 20 years.

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

Property, plant and equipment

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Indirect production costs in the form of indirect attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each asset.

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	30-45 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-10 years

Estimated useful lives and residual values are reassessed annually.

Accounting policies

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

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

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

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straigth-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is 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 10 years. Useful lives are reassessed annually. The amortisation periods used are 5-20 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Investments in associates
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 associates' equity value 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 has a legal or constructive obligation to cover the liabilities of the relevant associate, and it is probable that such obligation is imminent, a provision is recognised that is measured at present of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to Reserve fornet revaluation according to the equity method under equity.

Accounting policies

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are stratically 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 10 years. Useful lives are reassessed annually. The amortisation periods used are 5-20 years.

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.

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

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

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

Plants
The fair value of Christmas tree plants is based on expected actual selling prices for the different types and ages of plants. The calculation of fair value is based on existing, sustainable plans and assessments regarding sales and harvesting costs. Environmental restrictions and other limitations are taken into account and the calculation is performed for a production cycle that Majland A/S estimates up to 4 years. Other key assumptions in the calculation consist of percentage of harvested plants and the expected quality distribution.

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.

Accounting policies

Deferred tax assets, including the tax base of tax loss carry forwards, 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.

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

Cash
Cash comprises cash in hand and bank deposits.

Other provisions
Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

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

Finance lease liabilities
Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

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.

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.

Accounting policies

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.