Deloitte
Statsautoriseret
Revisionspartnerselskab
CVR-nr. 33963556
Egtved Allé 4
6000 Kolding

Phone 75 53 00 00
Fax 75 53 00 38
www.deloitte.dk

Green Team Group A/S

Simmelbrovej 44
7260 Sønder Omme
Central Business Registration
No 33057539

Annual report 01.07.2018 - 30.06.2019

The Annual General Meeting adopted the annual report on 20.12.2019

Chairman of the General Meeting

____

Name: Jesper Altamirano

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: 01.07.2018 - 30.06.2019

Phone: 76504060
Fax: 76504061
Website: www.greenteam-europe.com

Board of Directors
Christian Pagaard Junker
Jesper Altamirano
Sune Graae Norsker

Executive Board
Sune Graae Norsker

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 01.07.2018 - 30.06.2019.

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 30.06.2019 and of the results of its operations and cash flows for the financial year 01.07.2018 - 30.06.2019.

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

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

Sønder Omme, 20.12.2019

Executive Board

Sune Graae Norsker

Board of Directors

Christian Pagaard Junker	Jesper Altamirano	Sune Graae Norsker

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 01.07.2018 - 30.06.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.06.2019, and of the results of their operations and the consolidated cash flows for the financial year 01.07.2018 - 30.06.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

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

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

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

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

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

Independent auditor's report

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

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

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

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

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

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

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

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

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

Independent auditor's report

Statement on the management commentary
Management is responsible for the management commentary.

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

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

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

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

Kolding, 20.12.2019

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

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

Management commentary

	2018/19 DKK'000	2017/18 DKK'000	2016/17 DKK'000	2015/16 DKK'000	2014/15 DKK'000
Financial highlights					
Key figures					
Gross loss	(201.478)	(3.020)	(156.088)	51.017	141.425
EBITDA	(235.446)	(37.619)	(196.570)	8.013	102.975
Operating profit/loss	(238.738)	(41.734)	(206.254)	4.894	92.602
Net financials	(10.824)	(15.786)	(8.993)	(18.241)	(28.063)
Profit/loss for the year	(237.708)	(58.664)	(198.531)	7.425	61.768
Profit/loss excl minority interests	(235.228)	(58.124)	(196.598)	7.338	65.764
Total assets	543.670	744.215	755.344	933.918	947.739
Investments in property, plant and equipment	2.081	1.720	2.432	7.210	4.945
Equity	11.430	247.998	308.127	407.044	436.702
Net interest-bearing debt	475.225	426.470	419.318	454.492	396.774
Average numbers of employees	52	54	57	62	66
Ratios					
Return on equity (%)	(181,3)	(20,9)	(55,0)	1,7	16,4
Equity ratio (%)	3,4	33,5	39,3	43,6	46,2

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 (%)	$\frac{\text{Profit/loss excl minority interests x 100}}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity x 100}}{\text{Total assets}}$	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 Europe A/S, produces and sells Christmas trees and greenery.

Development in activities and finances
Green Team Group has experienced an increase in sales in financial year 2018-19, on both cut trees and in sales of own potted trees. We balance production and sales but we also purchase trees from external producers. We operate in a competitive market and the supply situation has had a large impact on the prices of all our products while the demand is very stable in the market. Since 2016 the Groups sales prices have decreased by approximately 50% which is the main driver for low financial performance in the last few years.

Due to the very low prices and a an uncertainty regarding timing of the expected price increase, the Group has chosen to reduce the value of inventories made up Christmas trees. The credit facilities will be increased in the overall restructuring of the company's finances as well as a new ownership has materialized.

We are starting to see an improvement in the situation, and we expect a price increase in the years to come – the timing is uncertain, but prices is expected start to increase from season 2021.

The increased share of own-produced trees as well as the transparent collaboration with European retailers will further increase the Group's competitiveness in regards to quality, delivery performance and cost efficiency. The Group has a mature production and we aim to have a stable and even-aged production in several parts of Europe, which gives the Group competitive advantages in reaching our ambition to be the preferred provider of Christmas trees to high volume retailers throughout Europe.

Majland Nursery focus on our main product, 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 and stable production.

The Group loss before tax and minority interests for the financial year 2018/19 amounts to DKK 238 million compared to a loss of DKK 59 million for the same period last year. The operating loss amounts to DKK 239 million compared to a loss of DKK 42 million for the same period last year. The main cause for this is a revaluation of inventory with a negative impact of approximately DKK 200 million. The budgeted result for 2018/19 was a loss of DKK 35 million, and the actual loss before inventory revaluation is approximately a loss of DKK 38 million. The management considers the financial performance unsatisfactory, partly due to the temporary price pressure in the market.
The Group's total assets amount to DKK 538 million, primarily made up of trees and plants in Inventory. The Group has approximately 19,3 million Christmas trees in the production companies located in

Management commentary

Scotland, Denmark and Poland and approximately 23 million plants in the Majland A/S nursery. Production facilities amount to DKK 54 million of which DKK 48 million relates to land and buildings, mainly located in Denmark.

The Group’s equity at financial year-end was DKK 11 million after minority interests. 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.

Credit facilities

The Group’s main bank, Sydbank acquired the parent company on October 1, 2019 as part of a restructuring of the Group’s finances. After the balance sheet date Sydbank has provided new equity for the Group amounting to DKK 60 million.

Management have made a detailed budget estimating the credit facilities needed to complete the planned activities during 2019/20 and Sydbank has provided what Management finds to be sufficient credit facilities to ensure the completion of these activities and to cover any deviations between the actual results and the planned activities.

Uncertainty relating to recognition and measurement

The Group’s inventories of Christmas trees are measured 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. The share-holders and management has chosen a more conservative approach to the future market situation that results in a decrease in the inventory stock value.

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 are currently 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, who has assessed the expected yield, quality levels and height.

Due to the circumstances described in the section “Development in activities and finances” Management has adjusted the expected future selling prices and the applied rate of return to take into account the uncertainty in the market regarding the rate and placement of the expected future increases in selling prices. Current selling prices for the season 2019 are fully reflected in the valuation.

In total, the Group owns 19,3 million Christmas trees in Denmark, UK and Poland.

Management commentary

Outlook

In the coming years, we will pursue to establish a 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 but we will continue to aim for a higher degree of purchased trees to increase flexibility in sales.

Focus will be on the continued strengthening of the Group’s market position.

Management expects a small positive result for Green Team Group for the year 2019/20.

Green Team Group will position ourselves as the most price competitive and professional supplier for the large volume customers on the European market, and we will strive to primarily cover market demand for Christmas trees with the Group’s own production, complemented with a 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.

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 and is expected to follow going forward had

Management commentary

and will have a potential negative impact on profit and loss as well as equity. However, it is Managements 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 the Group's policy to partially hedge interest rate risks on loans with variable interest rates. There is a regular monitoring og interest costs and risks.

Credit risk

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

Enviromental matters

Given the nature of our business, environmental matters are very much in focus. We have different certification programs and we always strive to be second to none in the business when it comes to green focus, CSR and certification programs.

We are currently working on reducing chemicals, waste and fertilizer in our production, and we are working closely together with our customers to reduce the environmental impact of our production.

Events after the balance sheet date

The Group's main bank, Sydbank acquired the parent company on October 1, 2019 as part of a restructuring of the Group's finances. After the balance sheet date Sydbank has provided new equity for the Group amounting to DKK 60 million.

Further the previous majority shareholders have remitted debt amounting to DKK 30 million, bringing the equity to DKK 108 million in total. All other debts to the previous owner have been settled as part of the financial restructuring of the Group during November, 2019.

Other than the above mentioned no events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2018/19

	Notes	2018/19 DKK	2017/18 DKK
Gross loss		**(201.477.541)**	**(3.019.577)**
Staff costs	2	(33.968.079)	(34.599.768)
Depreciation, amortisation and impairment losses	3	(3.292.368)	(4.114.784)
Operating profit/loss		**(238.737.988)**	**(41.734.129)**
Other financial income	4	4.627.206	1.323.563
Other financial expenses	5	(15.451.060)	(17.109.396)
Profit/loss before tax		**(249.561.842)**	**(57.519.962)**
Tax on profit/loss for the year	6	11.853.647	(1.144.322)
Profit/loss for the year	7	**(237.708.195)**	**(58.664.284)**

Consolidated balance sheet at 30.06.2019

	Notes	2018/19 DKK	2017/18 DKK
Acquired licences		2.146.532	278.527
Goodwill		0	2
Intangible assets	8	**2.146.532**	**278.529**
Land and buildings		48.225.664	48.231.788
Other fixtures and fittings, tools and equipment		5.529.190	7.457.774
Property, plant and equipment	9	**53.754.854**	**55.689.562**
Investments in associates		0	0
Other receivables		0	225
Fixed asset investments	10	**0**	**225**
Fixed assets		**55.901.386**	**55.968.316**
Raw materials and consumables		4.751.637	5.504.192
Work in progress		454.922.642	646.624.252
Inventories	12	**459.674.279**	**652.128.444**
Trade receivables		10.539.456	12.191.553
Deferred tax	13	379.712	1.855.595
Other receivables		6.385.594	8.120.248
Prepayments		10.506.268	13.199.043
Receivables		**27.811.030**	**35.366.439**
Cash		**283.412**	**752.070**
Current assets		**487.768.721**	**688.246.953**
Assets		**543.670.107**	**744.215.269**

Consolidated balance sheet at 30.06.2019

	Notes	2018/19 DKK	2017/18 DKK
Contributed capital		100.624.116	100.624.116
Share premium		200.456.803	200.456.803
Retained earnings		(282.559.285)	(48.471.820)
Equity attributable to the Parent's owners		**18.521.634**	**252.609.099**
Share of equity attributable to minority interests		**(7.091.637)**	**(4.611.268)**
Equity		**11.429.997**	**247.997.831**
Other provisions		25.786.399	28.668.549
Provisions		**25.786.399**	**28.668.549**
Mortgage debt		23.961.456	25.643.002
Bank loans		0	200.000.000
Finance lease liabilities		2.565.766	2.868.054
Other payables		7.394.555	8.531.457
Non-current liabilities other than provisions		**33.921.777**	**237.042.513**
Current portion of long-term liabilities other than provisions		2.901.102	4.320.316
Bank loans		386.620.004	185.859.362
Trade payables		22.834.545	30.820.832
Payables to group enterprises		52.095.780	0
Other payables		8.080.503	9.505.866
Current liabilities other than provisions		**472.531.934**	**230.506.376**
Liabilities other than provisions		**506.453.711**	**467.548.889**
Equity and liabilities		**543.670.107**	**744.215.269**
Going concern	1		
Associates	11		
Transactions with related parties	16		
Group relations	17		
Subsidiaries	18		

Consolidated statement of changes in equity for 2018/19

	Contributed capital DKK	Share premium DKK	Retained earnings DKK
Equity beginning of year	100.624.116	200.456.803	(48.471.820)
Purchase of treasury shares	0	0	(200.000)
Other entries on equity	0	0	1.340.361
Profit/loss for the year	0	0	(235.227.826)
Equity end of year	**100.624.116**	**200.456.803**	**(282.559.285)**

	Share of equity attributable to minority interests DKK	Total DKK
Equity beginning of year	(4.611.268)	247.997.831
Purchase of treasury shares	0	(200.000)
Other entries on equity	0	1.340.361
Profit/loss for the year	(2.480.369)	(237.708.195)
Equity end of year	**(7.091.637)**	**11.429.997**

Consolidated cash flow statement for 2018/19

	Notes	2018/19 DKK	2017/18 DKK
Operating profit/loss		(238.737.988)	(41.734.129)
Amortisation, depreciation and impairment losses		3.292.366	4.440.701
Other provisions		(2.882.150)	5.321.934
Working capital changes	15	187.987.694	7.708.221
Other adjustments		0	(3.278.190)
Cash flow from ordinary operating activities		**(50.340.078)**	**(27.541.463)**
Financial income received		4.627.206	1.323.563
Financial expenses paid		(15.451.060)	(12.477.844)
Income taxes refunded/(paid)		13.329.530	5.574.418
Cash flows from operating activities		**(47.834.402)**	**(33.121.326)**
Acquisition etc of intangible assets		(1.960.385)	0
Acquisition etc of property, plant and equipment		(2.081.431)	(1.719.946)
Sale of property, plant and equipment		813.825	1.625.169
Cash flows from investing activities		**(3.227.991)**	**(94.777)**
Loans raised		52.095.780	0
Repayments of loans etc		(203.100.760)	(1.584.482)
Incurrence of lease obligations		0	689.000
Reduction of lease commitments		(302.288)	(2.487.803)
Acquisition of treasury shares		(200.000)	0
Cash flows from financing activities		**(151.507.268)**	**(3.383.285)**
Increase/decrease in cash and cash equivalents		**(202.569.661)**	**(36.599.388)**
Cash and cash equivalents beginning of year		(185.107.292)	(148.983.166)
Currency translation adjustments of cash and cash equivalents		1.340.361	475.262
Cash and cash equivalents end of year		**(386.336.592)**	**(185.107.292)**
Cash and cash equivalents at year-end are composed of:			
Cash		283.412	752.070
Short-term debt to banks		(386.620.004)	(185.859.362)
Cash and cash equivalents end of year		**(386.336.592)**	**(185.107.292)**

Notes to consolidated financial statements

1. Going concern

The Group's main bank, Sydbank acquired the parent company on October 1, 2019 as part of a restructuring of the Group's finances. After the balance sheet date Sydbank has provided new equity for the Group amounting to DKK 60 million. Further the previous majority shareholders have remitted debt amounting to DKK 30 million, bringing the equity for the Group to DKK 108 million in total. All other debts to the previous owner have been settled as part of the financial restructuring of the Group during November, 2019.

Management have made a detailed budget estimating the credit facilities needed to complete the planned activities during 2019/20 and Sydbank has provided what Management finds to be sufficient credit facilities to ensure the completion of these activities and to cover any deviations between the actual results and the planned activities.

	2018/19 DKK	2017/18 DKK
2. Staff costs		
Wages and salaries	28.819.317	24.780.731
Pension costs	2.393.142	2.343.370
Other social security costs	248.756	236.460
Other staff costs	2.506.864	7.239.207
	33.968.079	**34.599.768**
Average number of employees	**52**	**54**

Remuneration of management is not disclosed with reference to S. 98(3) of the Danish Financial Statements Act.

	2018/19 DKK	2017/18 DKK
3. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	92.382	92.380
Depreciation of property, plant and equipment	3.502.366	4.348.685
Profit/loss from sale of intangible assets and property, plant and equipment	(302.380)	(326.281)
	3.292.368	**4.114.784**

	2018/19 DKK	2017/18 DKK
4. Other financial income		
Exchange rate adjustments	3.024.657	0
Other financial income	1.602.549	1.323.563
	4.627.206	**1.323.563**

Notes to consolidated financial statements

	2018/19 DKK	2017/18 DKK
5. Other financial expenses		
Exchange rate adjustments	0	4.631.552
Other financial expenses	15.451.060	12.477.844
	15.451.060	**17.109.396**

	2018/19 DKK	2017/18 DKK
6. Tax on profit/loss for the year		
Current tax	(3.778.302)	50
Change in deferred tax	(8.075.345)	1.144.272
	(11.853.647)	**1.144.322**

	2018/19 DKK	2017/18 DKK
7. Proposed distribution of profit/loss		
Retained earnings	(235.227.826)	(58.124.411)
Minority interests' share of profit/loss	(2.480.369)	(539.873)
	(237.708.195)	**(58.664.284)**

	Acquired licences DKK	Goodwill DKK
8. Intangible assets		
Cost beginning of year	3.872.895	17.599.635
Additions	1.960.385	0
Cost end of year	**5.833.280**	**17.599.635**
Amortisation and impairment losses beginning of year	(3.594.368)	(17.599.633)
Amortisation for the year	(92.380)	(2)
Amortisation and impairment losses end of year	**(3.686.748)**	**(17.599.635)**
Carrying amount end of year	**2.146.532**	**0**

Acquired licenses consists of ERP software development expected to provide increased management capabilities within finance, logistics etc.

Notes to consolidated financial statements

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK
9. Property, plant and equipment		
Cost beginning of year	57.508.744	31.119.064
Additions	1.039.000	1.042.431
Disposals	(191.817)	(1.212.841)
Cost end of year	**58.355.927**	**30.948.654**
Revaluations beginning of year	0	50.337
Revaluations end of year	**0**	**50.337**
Depreciation and impairment losses beginning of year	(9.276.956)	(23.711.627)
Depreciation for the year	(853.307)	(2.649.059)
Reversal regarding disposals	0	890.885
Depreciation and impairment losses end of year	**(10.130.263)**	**(25.469.801)**
Carrying amount end of year	**48.225.664**	**5.529.190**
Recognised assets not owned by entity	**-**	**3.783.391**

	Investments in associates DKK	Other receivables DKK
10. Fixed asset investments		
Cost beginning of year	1.066.671	2.683.125
Exchange rate adjustments	1.589	0
Disposals	0	(225)
Cost end of year	**1.068.260**	**2.682.900**
Impairment losses beginning of year	(1.066.671)	(2.682.900)
Exchange rate adjustments	(1.589)	0
Impairment losses end of year	**(1.068.260)**	**(2.682.900)**
Carrying amount end of year	**0**	**0**

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

Notes to consolidated financial statements

12. Inventories

Fair value measurement of Christmas trees

The Group's inventories of Christmas trees are measured 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.

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 are currently 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 Denmark, Poland, and the UK have been assessed by an independent external assessor, who has assessed the expected yield, quality levels and height.

Due to the circumstances leading up to Sydbank's purchase of the shares in Green Team Group A/S, Management has adjusted the expected future selling prices and the applied rate of return to take into account the uncertainty in the market regarding the rate and placement of the expected future increases in selling prices. Current selling prices for the season 2019 are fully reflected in the valuation.

While a sensitivity analysis on the future selling prices in not possible due to the length of the period over which the prices are estimated, an adjustment of the applied rate of return (8% for Denmark and Poland and 9% for UK) with 0,5% will result in an decline in the value of the inventory of Christmas trees of DKK 7,1 million

In total, the Group owns 19,3 million Christmas trees in Denmark, Poland, and the UK. On June 30.

13. Deferred tax

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

	Number	**Nominal value DKK**	**Share of contributed capital %**
14. Treasury shares			
Holding of treasury shares:			
A-shares	60.043	60.043	0,1
C-shares	1.433	1.433	0,0
	61.476	**61.476**	**0,1**

Notes to consolidated financial statements

	2018/19 DKK	2017/18 DKK
15. Change in working capital		
Increase/decrease in inventories	192.454.165	129.344
Increase/decrease in receivables	6.082.081	(2.107.456)
Increase/decrease in trade payables etc	(10.548.552)	12.611.712
Other changes	0	(2.925.379)
	187.987.694	**7.708.221**

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: Adelis Equity Partners AB, Stockholm, Sweden.

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

	Registered in	Corporate form	Equity interest %
18. Subsidiaries			
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 Europe A/S	Denmark	Plc.	100,0
GTG Belgium SA	Belgium	Plc.	100,0
Green Team Forest Sp. Z.o.o.	Poland	Plc.	100,0
Green Team B.V.	The Netherlands	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

Parent income statement for 2018/19

	Notes	2018/19 DKK	2017/18 DKK
Gross loss		**(937.310)**	**(171.823)**
Staff costs	2	(147.614)	0
Operating profit/loss		**(1.084.924)**	**(171.823)**
Income from investments in group enterprises		(234.369.371)	(61.335.470)
Other financial income	3	4.837.687	4.660.873
Other financial expenses	4	(3.175.736)	(372.501)
Profit/loss before tax		**(233.792.344)**	**(57.218.921)**
Tax on profit/loss for the year	5	(1.435.485)	(905.491)
Profit/loss for the year	6	**(235.227.829)**	**(58.124.412)**

Parent balance sheet at 30.06.2019

	Notes	2018/19 DKK	2017/18 DKK
Acquired licences		1.960.385	0
Intangible assets	7	**1.960.385**	**0**
Investments in group enterprises		22.395.578	66.965.543
Fixed asset investments	8	**22.395.578**	**66.965.543**
Fixed assets		**24.355.963**	**66.965.543**
Receivables from group enterprises		50.998.515	213.617.644
Other receivables		247.916	0
Income tax receivable		436.546	0
Prepayments	9	12.362	12.548
Receivables		**51.695.339**	**213.630.192**
Current assets		**51.695.339**	**213.630.192**
Assets		**76.051.302**	**280.595.735**

Parent balance sheet at 30.06.2019

	Notes	2018/19 DKK	2017/18 DKK
Contributed capital	10	100.624.116	100.624.116
Share premium		165.775.623	165.775.623
Reserve for net revaluation according to the equity method		0	(1.563.632)
Retained earnings		(247.878.107)	(12.372.772)
Equity		**18.521.632**	**252.463.335**
Payables to group enterprises		0	25.000.000
Non-current liabilities other than provisions		**0**	**25.000.000**
Bank loans		3.404.759	346.998
Trade payables		967.805	0
Payables to group enterprises		52.095.780	1.679.464
Income tax payable		922.480	1.030.939
Other payables		138.846	74.999
Current liabilities other than provisions		**57.529.670**	**3.132.400**
Liabilities other than provisions		**57.529.670**	**28.132.400**
Equity and liabilities		**76.051.302**	**280.595.735**
Going concern	1		
Related parties with controlling interest	11		
Transactions with related parties	12		

Parent statement of changes in equity for 2018/19

	Contributed capital DKK	Share premium DKK	Reserve for net revaluation according to the equity method DKK
Equity beginning of year	100.624.116	165.775.623	(1.563.632)
Purchase of treasury shares	0	0	0
Exchange rate adjustments	0	0	1.340.360
Other entries on equity	0	0	0
Transfer to reserves	0	0	234.592.643
Profit/loss for the year	0	0	(234.369.371)
Equity end of year	**100.624.116**	**165.775.623**	**0**

	Retained earnings DKK	Total DKK
Equity beginning of year	(12.372.772)	252.463.335
Purchase of treasury shares	(200.000)	(200.000)
Exchange rate adjustments	0	1.340.360
Other entries on equity	145.766	145.766
Transfer to reserves	(234.592.643)	0
Profit/loss for the year	(858.458)	(235.227.829)
Equity end of year	**(247.878.107)**	**18.521.632**

Notes to parent financial statements

1. Going concern

The Group's main bank, Sydbank acquired the parent company on October 1, 2019 as part of a restructuring of the Group's finances. After the balance sheet date Sydbank has provided new equity for the Group amounting to DKK 60 million. Further the previous majority shareholders have remitted debt amounting to DKK 30 million, bringing the equity of the Group to DKK 108 million in total. All other debts to the previous owner have been settled as part of the financial restructuring of the Group during November, 2019.

Management have made a detailed budget estimating the credit facilities needed to complete the planned activities during 2019/20 and Sydbank has provided what Management finds to be sufficient credit facilities to ensure the completion of these activities and to cover any deviations between the actual results and the planned activities.

	2018/19 DKK	**2017/18 DKK**
2. Staff costs		
Wages and salaries	96.500	0
Other staff costs	51.114	0
	147.614	**0**
Average number of employees	**0**	

	2018/19 DKK	**2017/18 DKK**
3. Other financial income		
Financial income arising from group enterprises	4.826.786	4.658.864
Exchange rate adjustments	10.901	2.009
	4.837.687	**4.660.873**

	2018/19 DKK	**2017/18 DKK**
4. Other financial expenses		
Financial expenses from group enterprises	0	35.950
Exchange rate adjustments	9.478	0
Other financial expenses	3.166.258	336.551
	3.175.736	**372.501**

Notes to parent financial statements

	2018/19 DKK	2017/18 DKK
5. Tax on profit/loss for the year		
Current tax	1.435.485	905.491
	1.435.485	**905.491**

	2018/19 DKK	2017/18 DKK
6. Proposed distribution of profit/loss		
Transferred to reserve for net revaluation according to the equity method	(234.369.371)	(61.335.470)
Retained earnings	(858.458)	3.211.058
	(235.227.829)	**(58.124.412)**

	Acquired licences DKK
7. Intangible assets	
Additions	1.960.385
Cost end of year	**1.960.385**
Carrying amount end of year	**1.960.385**

Acquired licenses consists of ERP software development expected to provide increased management capabilities within finance, logistics etc.

	Investments in group enterprises DKK
8. Fixed asset investments	
Cost beginning of year	189.421.341
Cost end of year	**189.421.341**
Revaluations beginning of year	(122.455.798)
Exchange rate adjustments	1.340.360
Share of profit/loss for the year	(234.369.371)
Investments with negative equity value depreciated over receivables	188.459.046
Revaluations end of year	**(167.025.763)**
Carrying amount end of year	**22.395.578**

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

Notes to parent financial statements

9. Prepayments

Prepayments consits of various prepaid costs.

	Number	Nominal value DKK	Share of contributed capital %
10. Treasury shares			
Holding of treasury shares:			
A-shares	60.043	60.043	0,1
C-shares	1.433	1.433	0,0
	61.476	**61.476**	**0,1**

The Company has acquired treasury shares amounting to nom. 61.476 shares during the year. The shares is expected to be nullified during 2019/20.

11. Related parties with controlling interest

The following parties have controlling interest:

Green Team Group Invest AB, Sundsvall, Sweden.

12. 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.

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

Accounting policies

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.

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.

Accounting policies

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.

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

Accounting policies

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. 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.

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. 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

Accounting policies

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.

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.

Treasury shares

Acquisition and selling prices and dividends for treasury shares are classified directly as equity under retained earnings. Gains and losses on sale are not recognised in the income statement.

Minority interests

Minority interests consist of non-controlling interests' share of equity in subsidiaries not 100% owned by the Parent.

Accounting policies

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.

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.

Accounting policies

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