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Green Team Group A/S
Central Business Registration No 33057539
Simmelbrovej 44
7260 Sønder Omme

Annual report 2015/16

The Annual General Meeting adopted the annual report on 08.09.2016

Chairman of the General Meeting

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Name: Jes Bjerregaard

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Entity details

Entity

Green Team Group A/S
Simmelbrovej 44
7260 Sønder Omme

Central Business Registration No: 33057539
Registered in: Billund, Denmark
Financial year: 01.07.2015 - 30.06.2016

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

Board of Directors

Steffen Kjeld Thomsen, Chairman
Jan Gunnar Åkesson
Hans Rafn
Jes Bjerregaard
Peder Larsen Østbjerg
Søren Overgaard Laursen

Executive Board

Hans Lehrskov Schultz

Entity 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 01.07.2015 - 30.06.2016.

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 30.06.2016 and of the results of its operations and cash flows for the financial year 01.07.2015 - 30.06.2016.

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, 08.09.2016

Executive Board

Hans Lehrskov Schultz

Board of Directors

Steffen Kjeld Thomsen Chairman	Jan Gunnar Åkesson	Hans Rafn
Jes Bjerregaard	Peder Larsen Østbjerg	Søren Overgaard Laursen

Independent auditor's reports

To the owners of Green Team Group A/S
Report on the financial statements

We have audited the consolidated financial statements and parent financial statements of Green Team Group A/S for the financial year 01.07.2015 - 30.06.2016, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the Parent and the consolidated cash flow statement. The consolidated financial statements and parent financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and 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.

Auditor’s responsibility

Our responsibility is to express an opinion on the consolidated financial statements and parent financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the consolidated financial statements and parent financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group’s and the Parent’s financial position at 30.06.2016, and of the results of their operations and the Group’s cash flows for the financial year 01.07.2015 - 30.06.2016 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statement.

Independent auditor's reports

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statement.

Kolding, 08.09.2016

Deloitte
Statsautoriseret Revisionspartnerselskab

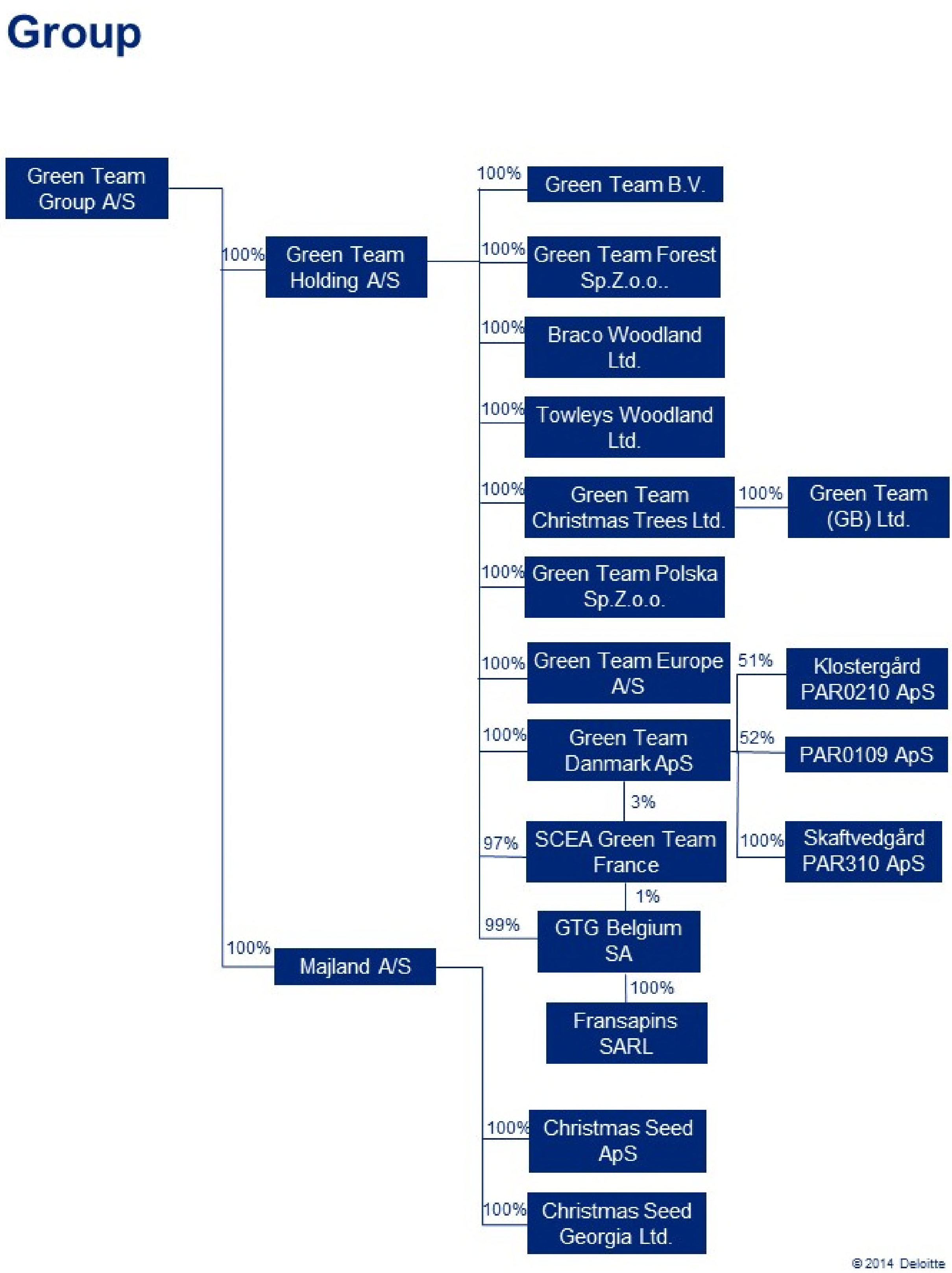
Suzette Nielsen	Anders Rosendahl Poulsen
State Authorised Public Accountant	State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

	2015/16 DKK'000	2014/15 DKK'000	2013/14 DKK'000	2012/13 DKK'000	2011/12 DKK'000
Financial highlights					
Key figures					
Gross profit	51.017	141.425	(37.948)	195.912	105.995
EBITDA	8.013	102.975	(81.127)	152.754	73.256
Operating profit/loss	4.894	92.602	(88.287)	152.754	67.369
Net financials	(18.241)	(28.063)	(953)	(31.611)	(9.229)
Profit/loss for the year	7.338	65.764	(44.996)	56.732	29.344
Total assets	933.918	947.739	941.563	832.300	611.188
Investments in property, plant and equipment	7.210	4.945	1.777	3.075	5.432
Equity	407.044	436.702	360.962	360.413	251.242
Interest bearing debt, net	454.492	396.774	337.650	351.890	246.828
Employees in average	62	66	62	61	50
Ratios					
Return on equity (%)	1,7	16,5	(12,5)	18,6	12,6
Equity ratio (%)	43,6	46,2	38,3	43,3	41,1

Management commentary



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, greenery and decorations.

In this segment, the Group is a market leader in Europe in plant production, tree production and in the sales of both plants and trees. The Group is also a leading seller of greenery and decorations. The Group operates in all stages of the value chain - from seeds to full-grown Christmas trees.

Development in activities and finances

In the financial year the Group has taken meaningful steps towards increased sales of trees from its own production. This will further increase the Group's competitiveness in regards of quality, delivery performance and cost efficiency. The Group has a sales-ready production in several parts of Europe, which gives the Group competitive advantages.

There have been no further acquisitions in the financial year. The sales growth has been achieved through organic growth.

The Group has sold some properties and land in Scotland during the financial year, but has maintained ownership of the Christmas trees grown in those locations.

The result before tax and minority interests for the financial year 2015/16 amounts to DKK (13,3) million compared to DKK 64,5 million for the same period last year. The operating profit amounts to DKK 4,9 million compared to DKK 92,6 million for the same period last year.

The result for the year is to a great extent affected by a total positive fair value adjustment on Christmas trees of which a considerable part may be referred to the Group's company in Poland. The allocation of the Group's net result on the individual companies therefore entails a net tax income of DKK 20,7 million.

The Group's total assets amount to DKK 934 million, primarily made up of trees and plants in inventory (87 % of total assets). The Group has 25,8 million Christmas trees in the production companies located mainly in Scotland, Denmark, Poland and France and 50,2 million plants in the Majland A/S nursery. Production facilities amount to DKK 71 million (8 % of total assets), of which DKK 57 million are land and buildings, mainly located in Denmark and France.

The Group's equity at financial year-end was DKK 407 million, corresponding to a solvency ratio of 43,5 %.

Management considers the financial result unsatisfying, partly due to a temporary price pressure in the market.

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.

Management commentary

Uncertainty with inclusion and measuring

The Group's inventories of Christmas trees are accounted for at market value, calculated using a return-based valuation model. This model estimates the Christmas trees' future returns. The return is estimated on the basis of the Group's experience with similar production, including expected yield, quality levels, height and future selling prices.

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 have an effect on 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 has been assessed by an independent external assessor.

In total, the Group owns 25,8 million Christmas trees in Denmark, UK, Poland and France. On June 30, 2016 the average value per tree was DKK 29,4.

Social responsibility and environmental concerns

The Group is committed to operate 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.

The nursery subsidiary is certified under Global GAP and BSCI. The Group's plantations in Europe are all certified under Global GAP. 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. 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.

In the past year there has been focus on selected CSR areas, and corporate responsibility is an essential value for the Group.

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. There are signs of intensified competition and price pressure; however, this development is expected to be offset by the increase in the tree quality within the coming years. This means that in the next years, trees of lower quality will not be harvested and not come to the European market. Currently, structural changes are occurring among producers, wholesalers and retailers. Moderate price competition is expected in the coming years, after which the prices will stabilize.

Management commentary

Christmas trees are sold to consumers through many different channels. The Group's organization and production are able to take optimal advantage of this market situation. The market is characterized by stable consumer prices.

Strategy

The Group's strategy remains unchanged. Main 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

The Group has a competent organization, characterized by experience and skills. The age distribution is good, with an average seniority of 4 years. There is national and cultural diversity with a total of 9 different nationalities represented by employees throughout the Group. During the year management was strengthened by the recruitment of a new Supply Chain Director. It is estimated that the organization has the resources and skills required for future development.

In the year, all of the Group's financial operations have been performed by the in-house financial department, and the Group has conducted significant initiatives in administrative areas. In order to ensure future growth in production and sales, the organization and IT systems have been strengthened in these areas as well. A Customer Relations Management and a Track & trace system has been implemented.

The Group has a number of 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.

There has been no change in the Board of Directors or Executive Management during the year. The Board is well composed and possesses expertise in relevant areas.

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.

Management commentary

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 in order to minimize these. The Group is continuously ensuring that 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 the 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 the Group's policy to partially hedge interest rate risk 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.

Outlook

In the coming years, a continued stable and controlled expansion of the Group's business volume will be pursued. Focus will be on the continued strengthening of the Group’s market position. Furthermore, the Group will take an active part in the industry consolidation that is expected in the coming years.

The management expects a positive financial result for next year.

In the coming years, the Group will strive to primarily cover the market’s 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. This year the Group has started production of new and innovative products and delivery solutions that respond to market demands. These new products are all made on the basis of existing production techniques and experiences.

Given the geographical dispersion of the 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.

Management commentary

The production of plants in the nursery subsidiary Majland A/S will stabilize at current levels. Focus will be on quality and plants that have high yield potential, safety, traceability and efficiency in the subsequent production process at European Christmas tree growers, which are the subsidiary's primary customers.

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.

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.

The accounting policies applied for these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

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

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of 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.

Accounting policies

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

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

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

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. On acquisition of enterprises, provisions are made for costs relating to decided and published restructurings in the acquired enterprise. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life, however, no more than 20 years. Negative differences in amount (negative goodwill), corresponding to an estimated adverse development in the relevant enterprises, are recognised in the balance sheet under deferred income, and they are recognised in the income statement when such adverse development is realised.

Profits or losses from divestment of equity investments
Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, inclusive of non-amortised goodwill and estimated divestment or winding-up expenses.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Accounting policies

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Changes in the fair value of derivative financial instruments applied for hedging net investments in independent foreign subsidiaries or associates are classified directly as equity.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of raw materials and consumables, 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.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity’s primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

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 write-downs 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.

Amortisation, depreciation and impairment losses
Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation 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 associates
Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after 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 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 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.

Income taxes
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 amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is usually five years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

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

Intellectual property rights etc

Intellectual property rights etc comprise 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 on 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

Accounting policies

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 plus or minus unamortised positive, or negative, goodwill and minus or plus 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.

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

Goodwill is calculated as the difference between cost of the investments and fair value of the assets and liabilities acquired. Goodwill is amortised over its estimated useful life which is normally 5 years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

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 or minus unamortised positive, or negative, goodwill and minus or plus unrealised pro rata internal profits and losses.

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

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

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 over its estimated useful life which is normally 5 years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

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 write-downs 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 expcted 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.

Other inventory is measured at historical costs according to the FIFO method or net realizable value if this is lower. Cost for other inventory comprises cost of goods as well as cost to acquire. Net realizable value for other inventory is calculated as sales price with a deduction of costs to complete and to carry out the sale.

Accounting policies

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

Cash
Cash comprises cash in hand and bank deposits.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

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

Deferred tax relating to re-taxation of previously deducted losses of foreign subsidiaries is recognised based on a specific assessment of the purpose of the individual subsidiary.

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

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

Accounting policies

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

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

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

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

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

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

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

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

Ratios	**Calculation formula**	**Ratios reflect**
Return on equity (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$	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.

Consolidated income statement for 2015/16

	Notes	2015/16 DKK	2014/15 DKK
Gross profit		**51.017.269**	**141.425.329**
Staff costs	1	(43.003.884)	(38.450.322)
Depreciation, amortisation and impairment losses	2	(3.119.092)	(10.372.519)
Operating profit/loss		**4.894.293**	**92.602.488**
Income from investments in associates		(384.309)	(987.201)
Other financial income	3	3.725.209	971.332
Other financial expenses	4	(21.582.280)	(28.047.037)
Profit/loss from ordinary activities before tax		**(13.347.087)**	**64.539.582**
Tax on profit/loss from ordinary activities	5	20.772.554	(2.771.766)
Consolidated profit/loss		**7.425.467**	**61.767.816**
Minority interests' share of profit/loss		(87.101)	3.995.749
Profit/loss for the year		**7.338.366**	**65.763.565**

Proposed distribution of profit/loss		
Reserve for net revaluation according to the equity method	0	(641.081)
Retained earnings	7.338.366	66.404.646
	7.338.366	**65.763.565**

Consolidated balance sheet at 30.06.2016

	Notes	2015/16 DKK	2014/15 DKK
Acquired licences		463.287	555.667
Goodwill		130.406	228.079
Intangible assets	6	**593.693**	**783.746**
Land and buildings		57.404.646	63.179.733
Other fixtures and fittings, tools and equipment		13.366.688	12.548.692
Property, plant and equipment	7	**70.771.334**	**75.728.425**
Investments in associates		0	0
Other receivables		6.570.016	6.754.207
Fixed asset investments	8	**6.570.016**	**6.754.207**
Fixed assets		**77.935.043**	**83.266.378**
Raw materials and consumables		815.765.679	814.710.899
Inventories		**815.765.679**	**814.710.899**
Trade receivables		7.568.474	6.785.714
Other short-term receivables	11	15.432.290	18.520.635
Prepayments	12	14.237.524	15.085.936
Receivables		**37.238.288**	**40.392.285**
Cash		**2.979.405**	**9.369.684**
Current assets		**855.983.372**	**864.472.868**
Assets		**933.918.415**	**947.739.246**

Consolidated balance sheet at 30.06.2016

	Notes	2015/16 DKK	2014/15 DKK
Contributed capital		1.142.185	1.142.185
Share premium		200.456.803	200.456.803
Retained earnings		205.445.422	235.103.254
Equity		**407.044.410**	**436.702.242**
Provisions for deferred tax	13	5.162.693	28.330.796
Other provisions	14	21.126.385	21.274.473
Provisions		**26.289.078**	**49.605.269**
Subordinate loan capital	15	45.837.443	41.637.369
Mortgage debts		28.592.600	31.289.331
Finance lease liabilities		6.280.646	4.555.200
Other credit institutions		160.000.000	195.000.000
Other payables		11.105.297	12.075.091
Non-current liabilities other than provisions	16	**251.815.986**	**284.556.991**
Current portion of long-term liabilities other than provisions	16	2.370.767	1.677.048
Bank loans		214.390.044	127.994.757
Trade payables		14.439.376	21.246.179
Payables to associates		0	587.121
Income tax payable		880.275	2.792.640
Other payables		16.688.479	22.576.999
Current liabilities other than provisions		**248.768.941**	**176.874.744**
Liabilities other than provisions		**500.584.927**	**461.431.735**
Equity and liabilities		**933.918.415**	**947.739.246**
Subsidiaries	9		
Unrecognised rental and lease commitments	19		
Mortgages and securities	20		

Consolidated statement of changes in equity for 2015/16

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1.142.185	200.456.803	235.103.254	436.702.242
Other adjustments	0	0	(36.996.198)	(36.996.198)
Profit/loss for the year	0	0	7.338.366	7.338.366
Equity end of year	**1.142.185**	**200.456.803**	**205.445.422**	**407.044.410**

Consolidated cash flow statement for 2015/16

	Notes	2015/16 DKK	2014/15 DKK
Operating profit/loss		4.894.293	92.602.488
Amortisation, depreciation and impairment losses		5.491.011	10.372.520
Other provisions		(148.087)	15.545.878
Working capital changes	17	(11.251.202)	(57.734.165)
Other adjustments		(40.161.074)	(55.976.342)
Cash flow from ordinary operating activities		**(41.175.059)**	**4.810.379**
Financial income received		743.975	971.332
Financial income paid		(21.582.280)	(20.233.275)
Income taxes refunded/(paid)		(2.682.161)	1.193.231
Cash flows from operating activities		**(64.695.525)**	**(13.258.333)**
Acquisition etc of intangible assets		0	(292.448)
Sale of property, plant and equipment		9.975.513	58.937.053
Acquisition of fixed asset investments		(7.209.549)	(4.945.454)
Other cash flows from investing activities	18	0	(2.547.758)
Cash flows from investing activities		**2.765.964**	**51.151.393**
Loans raised		4.787.195	91.954.782
Instalments on loans etc		(37.697.228)	(25.110.237)
Repayment of debt to associates		0	(137.774)
Incurrence of lease obligations		4.563.223	2.742.690
Reduction of lease commitments		(2.143.560)	(1.712.618)
Cash increase of capital		0	2.599.808
Cash flows from financing activities		**(30.490.370)**	**70.336.651**
Increase/decrease in cash and cash equivalents		**(92.419.931)**	**108.229.711**
Cash and cash equivalents beginning of year		(118.625.074)	(227.027.231)
Currency translation adjustments of cash and cash equivalents		(365.634)	172.447
Cash and cash equivalents end of year		**(211.410.639)**	**(118.625.073)**
Cash and cash equivalents at year-end are composed of:			
Cash		2.979.405	9.369.684
Short-term debt to banks		(214.390.044)	(127.994.757)
Cash and cash equivalents end of year		**(211.410.639)**	**(118.625.073)**

Notes to consolidated financial statements

1. Staff costs

	2015/16 DKK	2014/15 DKK
Wages and salaries	32.471.631	33.056.552
Pension costs	2.735.449	3.793.097
Other social security costs	1.225.288	384.092
Other staff costs	6.571.516	1.216.581
	43.003.884	**38.450.322**
Average number of employees	**62**	**66**

	Remuneration of management 2015/16 DKK	Remuneration of management 2014/15 DKK
Total amount for management categories	2.184.811	3.117.632
	2.184.811	**3.117.632**

2. Depreciation, amortisation and impairment losses

	2015/16 DKK	2014/15 DKK
Amortisation of intangible assets	189.409	274.550
Impairment losses on intangible assets	0	3.004.055
Depreciation of property, plant and equipment	5.301.602	5.711.794
Impairment losses on property, plant and equipment	0	1.382.120
Profit/loss from sale of intangible assets and property, plant and equipment	(2.371.919)	0
	3.119.092	**10.372.519**

3. Other financial income

	2015/16 DKK	2014/15 DKK
Exchange rate adjustments	2.981.234	0
Other financial income	743.975	971.332
	3.725.209	**971.332**

Notes to consolidated financial statements

4. Other financial expenses

	2015/16 DKK	2014/15 DKK
Exchange rate adjustments	0	7.813.483
Other financial expenses	21.582.280	20.233.554
	21.582.280	**28.047.037**

5. Tax on profit/loss from ordinary activities

	2015/16 DKK	2014/15 DKK
Tax on current year taxable income	1.093.631	3.175.589
Change in deferred tax for the year	(21.866.185)	(403.823)
	(20.772.554)	**2.771.766**

6. Intangible assets

	Acquired licences DKK	Goodwill DKK
Cost beginning of year	3.872.895	18.742.651
Exchange rate adjustments	0	(822.083)
Cost end of year	**3.872.895**	**17.920.568**
Amortisation and impairment losses beginning of year	(3.317.228)	(18.514.572)
Exchange rate adjustments	0	821.439
Amortisation for the year	(92.380)	(97.029)
Amortisation and impairment losses end of year	**(3.409.608)**	**(17.790.162)**
Carrying amount end of year	**463.287**	**130.406**

Notes to consolidated financial statements

7. Property, plant and equipment

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	64.734.640	28.918.160
Exchange rate adjustments	(225.194)	(456.094)
Additions	1.347.598	5.861.951
Disposals	(5.401.792)	(2.791.651)
Cost end of year	**60.455.252**	**31.532.366**
Revaluations beginning of year	6.442.611	244.105
Exchange rate adjustments	(275.474)	(20.699)
Reversal of revaluations	(1.854.793)	(106.464)
Revaluations end of year	**4.312.344**	**116.942**
Depreciation and impairment losses beginning of the year	(7.997.518)	(16.613.573)
Exchange rate adjustments	0	359.438
Depreciation for the year	(879.332)	(4.422.270)
Reversal regarding disposals	1.513.900	2.393.785
Depreciation and impairment losses end of the year	**(7.362.950)**	**(18.282.620)**
Carrying amount end of year	**57.404.646**	**13.366.688**
Recognised assets not owned by entity	**0**	**9.329.238**

Notes to consolidated financial statements

8. Fixed asset investments

	Investments in associates DKK	Other receivables DKK
Cost beginning of year	1.067.801	6.872.432
Exchange rate adjustments	(3.034)	(6.312)
Cost end of year	**1.064.767**	**6.866.120**
Revaluations beginning of year	641.485	0
Exchange rate adjustments	(1.823)	0
Revaluations end of year	**639.662**	**0**
Impairment losses beginning of year	(1.709.286)	(118.225)
Exchange rate adjustments	4.857	340
Impairment losses for the year	0	(178.219)
Impairment losses end of year	**(1.704.429)**	**(296.104)**
Carrying amount end of year	**0**	**6.570.016**

9. Subsidiaries

	Registered in	Corporate form	Equity interest %
Majland A/S	Denmark	Plc.	100,0
Christmas Seed ApS	Denmark	Plc.	100,0
Christmas Seed Georgia Ltd	USA	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
Fransapins SARL	France	Plc.	100,0

Notes to consolidated financial statements

10. Associates

	Registered in	Equity inte-rest %
Hansen Faeskola	Hungary	25,0

11. Other short-term receivables

	2015/16 DKK	2014/15 DKK
Other receivables	15.432.290	18.520.635
	15.432.290	**18.520.635**

Of other receivables DKK 2.138k comprises negative minority interests (2014/15: DKK 2.138k).

12. Prepayments

Prepayments mainly comprise prepaid land lease, insurance and subscriptions.

13. Deferred tax

	2015/16 DKK	2014/15 DKK
Intangible assets	14.102	5.792
Property, plant and equipment	1.994.033	2.750.817
Inventories	46.587.792	67.820.833
Provisions	(1.120.139)	(1.298.515)
Liabilities other than provisions	(1.099.308)	(1.385.372)
Tax losses carried forward	(41.213.787)	(39.562.759)
	5.162.693	**28.330.796**

14. Other provisions

	2015/16 DKK	2014/15 DKK
Provision, relating to renaturization of rented lands	21.126.385	21.274.473
	21.126.385	**21.274.473**

Notes to consolidated financial statements

15. Subordinate loan capital

Subordinate loan capital amounting to DKK 46 million (2014/15: DKK 42 million) is to be paid in consideration of the Group's development according to the business plan and the agreement with the Group's bank.

16. Long-term liabilities other than provisions	Instalments within 12 months 2015/16 DKK	Instalments within 12 months 2014/15 DKK	Instalments beyond 12 months 2015/16 DKK	Outstanding after 5 years DKK
Subordinate loan capital	0	0	45.837.443	0
Mortgage debts	131.430	131.927	28.592.600	25.075.313
Finance lease liabilities	2.239.337	1.545.121	6.280.646	481.031
Other credit institutions	0	0	160.000.000	45.000.000
Other payables	0	0	11.105.297	0
	2.370.767	**1.677.048**	**251.815.986**	**70.556.344**

17. Change in working capital	2015/16 DKK	2014/15 DKK
Increase/decrease in inventories	(1.054.780)	(155.655.759)
Increase/decrease in receivables	7.861.898	92.455.277
Increase/decrease in trade payables etc	(11.200.004)	5.466.317
Other changes	(6.858.316)	0
	(11.251.202)	**(57.734.165)**

18. Other cash flows from investing activities

Other cash flows from investing activities comprise acquisition of companies and loans issued by the Group.

19. Unrecognised rental and lease commitments	2015/16 DKK	2014/15 DKK
Commitments under rental agreements or leases until expiry	**86.659.838**	**81.859.870**

The average annual installment on the rental agreements and leases amounts to DKK 7.355k.

Notes to consolidated financial statements

20. Mortgages and securities

Mortgage debt of DKK 28.724k (2014/15: DKK 31.416k) is secured by way of mortgage on properties. The book value of pledged properties and lands amounts to DKK 51.237k (2014/15: DKK 56.368k).

Bank debt is secured by way of a deposited mortgage deed registered to the mortgagor on plant of DKK 60.000k (2014/15: 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 (2014/15: DKK 67.000k).

Parent income statement for 2015/16

	Notes	2015/16 DKK	2014/15 DKK
Gross loss		**(156.806)**	**(572.146)**
Staff costs	1	47.018	(1.022.713)
Operating profit/loss		**(109.788)**	**(1.594.859)**
Income from investments in group enterprises		16.821.222	76.933.544
Other financial income	2	5.104.301	4.042.984
Other financial expenses	3	(2.328.641)	(1.947.260)
Profit/loss from ordinary activities before tax		**19.487.094**	**77.434.409**
Tax on profit/loss from ordinary activities	4	(586.492)	(110.158)
Profit/loss for the year		**18.900.602**	**77.324.251**
Proposed distribution of profit/loss			
Reserve for net revaluation according to the equity method		16.821.222	76.933.544
Retained earnings		2.079.380	390.707
		18.900.602	**77.324.251**

Parent balance sheet at 30.06.2016

	Notes	2015/16 DKK	2014/15 DKK
Investments in group enterprises		325.848.758	357.440.301
Fixed asset investments	5	**325.848.758**	**357.440.301**
Fixed assets		**325.848.758**	**357.440.301**
Receivables from group enterprises		125.205.522	118.605.419
Deferred tax assets	6	396.950	189.542
Income tax receivable		300	300
Prepayments	7	12.536	0
Receivables		**125.615.308**	**118.795.261**
Current assets		**125.615.308**	**118.795.261**
Assets		**451.464.066**	**476.235.562**

Parent balance sheet at 30.06.2016

	Notes	2015/16 DKK	2014/15 DKK
Contributed capital	8, 9	1.142.185	1.142.185
Share premium		165.775.623	165.775.623
Reserve for net revaluation according to the equity method		124.866.305	144.896.737
Retained earnings		103.842.699	101.763.319
Equity		**395.626.812**	**413.577.864**
Provisions for deferred tax	6	396.950	0
Provisions		**396.950**	**0**
Subordinate loan capital		10.133.620	9.212.382
Non-current liabilities other than provisions		**10.133.620**	**9.212.382**
Bank loans		835.143	451.278
Payables to group enterprises		32.438.480	29.620.264
Income tax payable		396.950	0
Other payables		75.000	251.551
Deferred income	10	11.561.111	23.122.223
Current liabilities other than provisions		**45.306.684**	**53.445.316**
Liabilities other than provisions		**55.440.304**	**62.657.698**
Equity and liabilities		**451.464.066**	**476.235.562**
Contingent liabilities	11		

Parent statement of changes in equity for 2015/16

	Contributed capital DKK	Share premium DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK
Equity beginning of year	1.142.185	165.775.623	144.896.737	101.763.319
Exchange rate adjustments	0	0	(36.851.654)	0
Profit/loss for the year	0	0	16.821.222	2.079.380
Equity end of year	**1.142.185**	**165.775.623**	**124.866.305**	**103.842.699**

	Total DKK
Equity beginning of year	413.577.864
Exchange rate adjustments	(36.851.654)
Profit/loss for the year	18.900.602
Equity end of year	**395.626.812**

Notes to parent financial statements

1. Staff costs

	2015/16 DKK	2014/15 DKK
Wages and salaries	(59.669)	847.709
Pension costs	11.933	142.867
Other social security costs	718	3.782
Other staff costs	0	28.355
	(47.018)	**1.022.713**
Average number of employees	**0**	**1**

2. Other financial income

	2015/16 DKK	2014/15 DKK
Financial income arising from group enterprises	5.104.301	4.042.669
Exchange rate adjustments	0	311
Other financial income	0	4
	5.104.301	**4.042.984**

3. Other financial expenses

	2015/16 DKK	2014/15 DKK
Financial expenses from group enterprises	1.322.414	1.115.643
Exchange rate adjustments	509	0
Other financial expenses	1.005.718	831.617
	2.328.641	**1.947.260**

4. Tax on profit/loss from ordinary activities

	2015/16 DKK	2014/15 DKK
Tax on current year taxable income	396.950	0
Change in deferred tax for the year	189.542	110.158
	586.492	**110.158**

Notes to parent financial statements

5. Fixed asset investments

	Investments in group enterprises DKK
Cost beginning of year	189.421.341
Cost end of year	**189.421.341**
Revaluations beginning of year	168.018.960
Exchange rate adjustments	(36.851.654)
Share of profit/loss for the year	5.260.111
Revaluations end of year	**136.427.417**
Carrying amount end of year	**325.848.758**

6. Deferred tax

	2015/16 DKK	2014/15 DKK
Tax losses carried forward	0	189.542
	0	**189.542**

7. Prepayments

Prepayments mainly comprise prepaid insurance and subscriptions.

8. Contributed capital

	Number	Par value DKK	Nominal value DKK
Share class A	561.071	1	561.071
Share class B	573.233	1	573.233
Share class C	7.881	1	7.881
	1.142.185		**1.142.185**

	2015/16 DKK	2014/15 DKK	2013/14 DKK	2012/13 DKK	2011/12 DKK
Changes in contributed capital					
Contributed capital beginning of year	1.142.185	1.132.871	500.000	500.000	500.000
Increase of capital	0	9.314	630.871	2.000	0
Contributed capital end of year	**1.142.185**	**1.142.185**	**1.130.871**	**502.000**	**500.000**

Notes to parent financial statements

10. Short-term deferred income

Short-term deferred income mainly comprise badwill.

11. Contingent liabilities

The company guarantees bank debt, lease contracts etc. for Green Team Holding A/S and Majland A/S up to DKK 375 million (2014/15: DKK 375 million). The secured bank debt amounts to DKK 374 million (2014/15: DKK 313 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. (2014/15: DKK 25 million).

The company guarantees the subordinate loan capial in Green Team France totalling DKK 36 million (2014/15: DKK 32 million).

The Company 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 Company is therefore liable for income taxes etc for the jointly taxed companies and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.