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Green Team Group A/S

Simmelbrovej 44
7260 Sønder Omme
Central Business Registration
No 33057539

Annual report 2016/17

The Annual General Meeting adopted the annual report on 14.12.2017

Chairman of the General Meeting

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Name: Steffen Kjeld Thomsen

Contents

Entity details

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

Central Business Registration No: 33057539
Registered in: Billund, Denmark
Financial year: 01.07.2016 - 30.06.2017

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

Board of Directors
Steffen Kjeld Thomsen, Chairman
Elisabeth Dreijer von Sydow
Jens Christian Hansen
Jes Bjerregaard
Peder Larsen Østbjerg
Søren Overgaard Laursen

Executive Board
Hans Lehrskov Schultz

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 01.07.2016 - 30.06.2017.

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 30.06.2017 and of the results of its operations and cash flows for the financial year 01.07.2016 - 30.06.2017.

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, 30.11.2017

Executive Board

Hans Lehrskov Schultz

Board of Directors

Steffen Kjeld Thomsen Chairman	Elisabeth Dreijer von Sydow	Jens Christian Hansen
Jes Bjerregaard	Peder Larsen Østbjerg	Søren Overgaard Laursen

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 01.07.2016 - 30.06.2017, 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 30.06.2017, and of the results of their operations and the consolidated cash flows for the financial year 01.07.2016 - 30.06.2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 Entity'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 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 Entity’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 Entity’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, 30.11.2017

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Suzette Demediuk Steen Nielsen
State Authorised Public Accountant

Allan Trolle Pedersen
State Authorised Public Accountant

Management commentary

	2016/17 DKK'000	2015/16 DKK'000	2014/15 DKK'000	2013/14 DKK'000	2012/13 DKK'000
Financial highlights					
Key figures					
Gross loss	(156.088)	51.017	141.425	(37.948)	195.912
EBITDA	(196.570)	8.013	102.975	(81.127)	152.754
Operating profit/loss	(206.254)	4.894	92.602	(88.287)	152.754
Net financials	(8.993)	(18.241)	(28.063)	(953)	(31.611)
Profit/loss for the year	(198.531)	7.425	61.768	(66.355)	56.732
Total assets	755.344	933.918	947.739	941.563	832.300
Investments in property, plant and equipment	2.432	7.210	4.945	1.777	3.075
Equity incl minority interests	308.127	407.044	436.702	363.982	360.413
Interest bearing debt, net	419.318	454.492	396.774	337.650	351.890
Employees in average	57	62	66	62	61
Ratios					
Return on equity (%)	(55,5)	1,8	15,4	(18,3)	18,6
Equity ratio (%)	39,3	43,6	46,2	38,3	43,3

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

Ratios	Calculation formula	Ratios
Return on equity (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity incl minority interests}}$	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 Holding A/S, produces and sales Christmas trees and greenery.

In this segment, the Group is a market leader in Europe in plant production, tree production and in the sales of both Nordmann fir plants, Christmas trees and related products. 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 and the targeted share of our own produced trees has now been reached. The Group operates in a market characterized by tough competition on prices and a present imbalance between supply and demand. This year's revenue is thus affected by a growth in volume, but also decreasing average sales prices.

As a consequence of the market situation a right sizing production project was carried out during the financial year, which led to a reduction in the number of Christmas trees in production of approximately 15% through sales of plantations and closing of certain production areas. In connection with the right sizing project, the Group has extraordinarily written down the value of its Christmas tree plantations and related assets by DKK 98.2 million. After the right sizing project, the Group owns 22.7 million Christmas trees in Denmark, UK and Poland. On June 30, 2017 the average book value per tree was DKK 26.5.

In Majland Nursery a revised strategy is being implemented. Majland will have even further focus on keeping our position as a market leader in innovation and quality and not volume growth. This increased focus contains a small reduction in production volume of small plants for external sale.

The planting of new areas in Europe has been on the same level as the two previous years, and the Group will continue to plant and produce a moderately growing number of trees in the coming years. It takes 6-10 years to produce a Christmas tree and hence trees, why the planting in 2016 will be the basis for the sale in 2022-26.

In the financial year, we have started up collaboration with significant international retailers. These collaborations are of highly strategical nature and in line with the Group's strategy and competences. The Group is constantly focusing on performance in delivery and has experienced high customer satisfaction and loyalty over the past year. The sales growth has been achieved through organic growth.

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 of quality, delivery performance and cost efficiency. The Group has a mature and evenly age-distributed production in several parts of Europe, which gives the Group a competitive advantages.

In the past year, the Group has invested in technologies that support effective production processes while harvesting.

Management commentary

The loss before tax and minority interests for the financial year 2016/17 amounts to DKK 215.2 million compared to a loss of DKK 13.3 million for the same period last year. The operating loss amounts to DKK 206.3 million compared to a profit of DKK 4.9 million for the same period last year.

As mentioned above, the profit for the year is materially affected by a total negative fair value adjustment on Christmas trees of which a considerable part may be attributed to the Group’s company in Poland and France.

The Group’s total assets amount to DKK 755.3 million, primarily made up of trees and plants in inventory (86.3% of total assets). The Group has 22.7 million Christmas trees in the production companies located mainly in Scotland, Denmark and Poland and 48.1 million plants in the Majland A/S nursery. Production facilities amount to DKK 60.7 million (8.0% of total assets), of which DKK 50.3 million relates to land and buildings, mainly located in Denmark.

The Group’s equity at financial year-end was DKK 308.1 million, corresponding to a solvency ratio of 39.3%.

Management considers the financial performance unsatisfying, partly due to the temporary price pressure in the market and the impact from reduction of the production.

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

Uncertainty relating to recognition and measurement
The Group's inventories of Christmas trees are recognised at market value, 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. 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 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 22.7 million Christmas trees in Denmark, UK and Poland. On June 30, 2016 the average value per tree was DKK 26.5.

Outlook
In the coming years, a continued stable and controlled expansion of the Group's business volume will be pursued. After the reduction of production areas, the Group has obtained a balance between production volume and sales.

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

Management commentary

Management expects a profit 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. In 2016 the Group introduced a new cooperation model with European retailers. The concept involves that the Group even further integrates and contributes to the retailer’s sales and revenue regarding Christmas trees. This concept has been well received and will be introduced to more retailers across Europe in the coming year. Years ago, a production of new innovative products commenced, and these will be ready for sale in 2017. These new products are all made based on existing production techniques and experiences. The new products meet the expectations we have to quality, production costs and sales prices.

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. 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 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

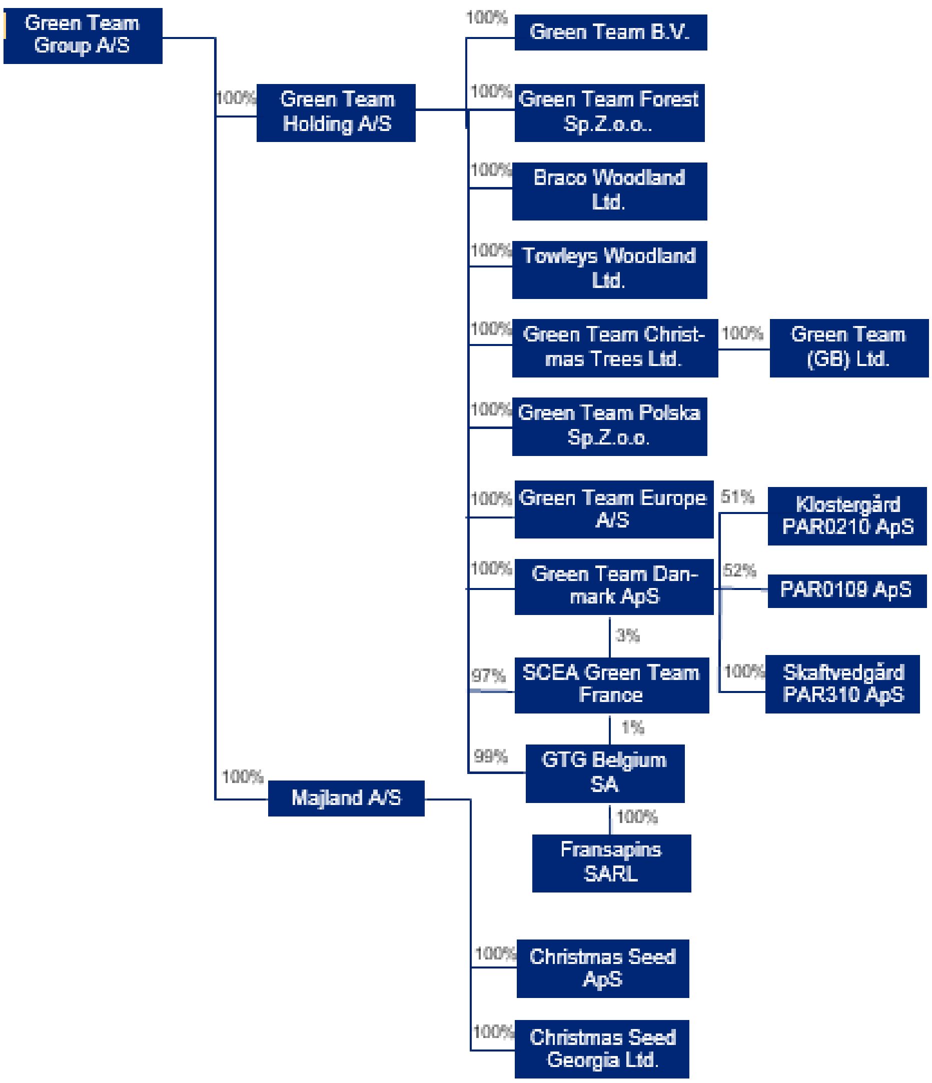
It is the Group's policy to partially hedge interest rate risks on loans. There is a regular monitoring of interest costs and risks.

Management commentary

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.

Group relations



Statutory report on corporate social responsibility

The Group is committed to operating as a socially responsible company.

The Group produces and markets products with full documentation in terms of labor, environment and traceability throughout the entire value chain. This contributes to a strengthened collaboration and gives the big European retailers security. 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.

Management commentary

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

Corporate Social Responsibility is an essential value for the Group. In the last year, the Group has focused on selected CSR areas such as the Group's sub-suppliers of materials and services and on meeting the demands and standards of the Group. A systematic auditing, reporting and measurement of this has been initiated.

Market

The European consumption of Christmas trees has been relatively stable over the last couple of years and demand is expected to continue to be stable in the coming years. However, due to a short-term oversupply of Christmas trees there are intensified competition and decreasing prices in the market. Currently, structural changes are occurring among producers, wholesalers and retailers. The present adverse imbalance in supply / demand is expected to improve to a more natural long-term level within 2-3 years and thereafter stabilized at a better and sustainable price level.

Strategy

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

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

Organization

The Group has a competent organization, characterized by experience and skills. The age distribution is good, with an average seniority of 5 years. There is national and cultural diversity with a total of 9 different nationalities represented by employees throughout the Group. During the last year, a general reduction of employees has been conducted on selected areas just like the level of competences in recruitments has been increased.

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

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

The Group has several foreign companies focused on either production or sales. The companies are independent legal entities, but management and operations are all tightly integrated into the Group.

Management commentary

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

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Consolidated income statement for 2016/17

	Notes	2016/17 DKK	2015/16 DKK
Gross loss		**(156.088.113)**	**51.017.269**
Staff costs	1	(40.482.211)	(43.003.884)
Depreciation, amortisation and impairment losses	2	(9.683.908)	(3.119.092)
Operating profit/loss		**(206.254.232)**	**4.894.293**
Income from investments in associates		0	(384.309)
Other financial income	3	11.953.133	3.725.209
Other financial expenses	4	(20.946.291)	(21.582.280)
Profit/loss before tax		**(215.247.390)**	**(13.347.087)**
Tax on profit/loss for the year	5	16.715.942	20.772.554
Profit/loss for the year	6	**(198.531.448)**	**7.425.467**

Consolidated balance sheet at 30.06.2017

	Notes	2016/17 DKK	2015/16 DKK
Acquired licences		373.138	463.287
Goodwill		2	130.406
Intangible assets	7	**373.140**	**593.693**
Land and buildings		50.305.554	57.404.646
Other fixtures and fittings, tools and equipment		10.349.064	13.366.688
Property, plant and equipment	8	**60.654.618**	**70.771.334**
Investments in associates		0	0
Other receivables		224	6.570.016
Fixed asset investments	9	**224**	**6.570.016**
Fixed assets		**61.027.982**	**77.935.043**
Raw materials and consumables		652.257.788	815.765.679
Inventories		**652.257.788**	**815.765.679**
Trade receivables		8.505.912	7.568.474
Deferred tax	11	9.493.305	0
Other receivables		7.899.159	15.432.290
Prepayments		14.998.318	14.237.524
Receivables		**40.896.694**	**37.238.288**
Cash		**1.161.876**	**2.979.405**
Current assets		**694.316.358**	**855.983.372**
Assets		**755.344.340**	**933.918.415**

Consolidated balance sheet at 30.06.2017

	Notes	2016/17 DKK	2015/16 DKK
Contributed capital		100.624.116	1.142.185
Share premium		200.456.803	200.456.803
Retained earnings		11.117.067	207.583.791
Equity attributable to the Parent's owners		**312.197.986**	**409.182.779**
Share of equity attributable to minority interests		**(4.071.396)**	**(2.138.369)**
Equity		**308.126.590**	**407.044.410**
Deferred tax	11	3.339.615	5.162.693
Other provisions		23.346.614	21.126.385
Provisions		**26.686.229**	**26.289.078**
Subordinate loan capital		0	45.837.443
Mortgage debts		28.021.630	28.592.600
Finance lease liabilities		5.386.466	6.280.646
Debt to other credit institutions		195.000.000	160.000.000
Other payables		9.670.880	11.105.297
Non-current liabilities other than provisions	12	**238.078.976**	**251.815.986**
Current portion of long-term liabilities other than provisions	12	2.806.562	2.370.767
Bank loans		150.145.042	214.390.044
Trade payables		20.899.360	22.064.386
Income tax payable		0	880.275
Other payables	13	8.601.581	9.063.469
Current liabilities other than provisions		**182.452.545**	**248.768.941**
Liabilities other than provisions		**420.531.521**	**500.584.927**
Equity and liabilities		**755.344.340**	**933.918.415**
Associates	10		
Unrecognised rental and lease commitments	15		
Mortgages and securities	16		
Group relations	17		
Subsidiaries	18		

Consolidated statement of changes in equity for 2016/17

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Share of equity attributable to minority interests DKK
Equity beginning of year	1.142.185	200.456.803	205.445.422	(2.138.369)
Increase of capital	99.481.931	0	0	0
Other equity postings	0	0	2.270.066	0
Profit/loss for the year	0	0	(196.598.421)	(1.933.027)
Equity end of year	**100.624.116**	**200.456.803**	**11.117.067**	**(4.071.396)**

	Total DKK
Equity beginning of year	404.906.041
Increase of capital	99.481.931
Other equity postings	2.270.066
Profit/loss for the year	(198.531.448)
Equity end of year	**308.126.590**

Consolidated cash flow statement for 2016/17

	Notes	2016/17 DKK	2015/16 DKK
Operating profit/loss		(206.254.232)	4.894.293
Amortisation, depreciation and impairment losses		13.731.918	5.491.011
Other provisions		2.220.229	(148.087)
Working capital changes	14	169.499.064	(11.251.202)
Other adjustments		11.213.358	(40.161.074)
Cash flow from ordinary operating activities		**(9.589.663)**	**(41.175.059)**
Financial income received		853.037	743.975
Financial income paid		(20.946.291)	(21.582.280)
Income taxes refunded/(paid)		5.821.408	(2.682.161)
Cash flows from operating activities		**(23.861.509)**	**(64.695.525)**
Acquisition etc of property, plant and equipment		(2.431.741)	0
Sale of property, plant and equipment		1.471.228	9.975.513
Acquisition of fixed asset investments		0	(7.209.549)
Cash flows from investing activities		**(960.513)**	**2.765.964**
Loans raised		35.000.000	4.787.195
Instalments on loans etc		(141.401)	(37.697.228)
Incurrence of lease obligations		1.251.195	4.563.223
Reduction of lease commitments		(2.139.151)	(2.143.560)
Cash increase of capital		99.481.931	0
Subordinate loan capital		(45.837.443)	0
Cash flows from financing activities		**87.615.131**	**(30.490.370)**
Increase/decrease in cash and cash equivalents		**62.793.109**	**(92.419.931)**
Cash and cash equivalents beginning of year		(211.410.639)	(118.625.074)
Currency translation adjustments of cash and cash equivalents		(365.634)	(365.634)
Cash and cash equivalents end of year		**(148.983.164)**	**(211.410.639)**
Cash and cash equivalents at year-end are composed of:			
Cash		1.161.876	2.979.405
Short-term debt to banks		(150.145.042)	(214.390.044)
Cash and cash equivalents end of year		**(148.983.166)**	**(211.410.639)**

Notes to consolidated financial statements

	2016/17 DKK	2015/16 DKK
1. Staff costs		
Wages and salaries	32.308.847	32.471.631
Pension costs	2.433.663	2.735.449
Other social security costs	307.756	1.225.288
Other staff costs	5.431.945	6.571.516
	40.482.211	**43.003.884**
Average number of employees	**57**	**62**

	Remuneration of management 2016/17 DKK	Remuneration of management 2015/16 DKK
Total amount for management categories	2.024.257	2.184.811
	2.024.257	**2.184.811**

	2016/17 DKK	2015/16 DKK
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	222.734	189.409
Depreciation of property, plant and equipment	6.025.577	5.301.602
Profit/loss from sale of intangible assets and property, plant and equipment	3.435.597	(2.371.919)
	9.683.908	**3.119.092**

	2016/17 DKK	2015/16 DKK
3. Other financial income		
Exchange rate adjustments	11.100.096	2.981.234
Other financial income	853.037	743.975
	11.953.133	**3.725.209**

	2016/17 DKK	2015/16 DKK
4. Other financial expenses		
Other financial expenses	20.946.291	21.582.280
	20.946.291	**21.582.280**

Notes to consolidated financial statements

	2016/17 DKK	2015/16 DKK
5. Tax on profit/loss for the year		
Tax on current year taxable income	(5.399.559)	1.093.631
Change in deferred tax for the year	(11.316.383)	(21.866.185)
	(16.715.942)	**(20.772.554)**

	2016/17 DKK	2015/16 DKK
6. Proposed distribution of profit/loss		
Retained earnings	(196.598.421)	7.338.366
Minority interests' share of profit/loss	(1.933.027)	87.101
	(198.531.448)	**7.425.467**

	Acquired licences DKK	Goodwill DKK
7. Intangible assets		
Cost beginning of year	3.872.895	17.920.568
Exchange rate adjustments	0	(296.127)
Additions	2.231	0
Cost end of year	**3.875.126**	**17.624.441**
Amortisation and impairment losses beginning of year	(3.409.608)	(17.790.162)
Exchange rate adjustments	0	296.077
Amortisation for the year	(92.380)	(130.354)
Amortisation and impairment losses end of year	**(3.501.988)**	**(17.624.439)**
Carrying amount end of year	**373.138**	**2**

Notes to consolidated financial statements

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK
8. Property, plant and equipment		
Cost beginning of year	60.455.252	31.532.366
Exchange rate adjustments	(631)	3.268.288
Additions	0	2.431.741
Disposals	(1.803.464)	(3.610.957)
Cost end of year	**58.651.157**	**33.621.438**
Revaluations beginning of year	4.312.344	116.942
Exchange rate adjustments	(1.508)	(64.959)
Reversal of revaluations	(4.310.836)	0
Revaluations end of year	**0**	**51.983**
Depreciation and impairment losses beginning of the year	(7.362.950)	(18.282.620)
Exchange rate adjustments	0	(3.223.441)
Impairment losses for the year	(17)	0
Depreciation for the year	(1.243.704)	(4.781.873)
Reversal regarding disposals	261.068	2.963.577
Depreciation and impairment losses end of the year	**(8.345.603)**	**(23.324.357)**
Carrying amount end of year	**50.305.554**	**10.349.064**
Recognised assets not owned by entity	**-**	**7.596.928**

Notes to consolidated financial statements

	Investments in associates DKK	Other receivables DKK
9. Fixed asset investments		
Cost beginning of year	1.064.767	6.866.120
Exchange rate adjustments	(373)	0
Disposals	0	(4.188.720)
Cost end of year	**1.064.394**	**2.677.400**
Revaluations beginning of year	639.662	0
Exchange rate adjustments	(224)	0
Transfers	(639.438)	0
Revaluations end of year	**0**	**0**
Impairment losses beginning of year	(1.704.429)	(296.104)
Exchange rate adjustments	597	(914)
Transfers	639.438	0
Impairment losses for the year	0	(2.380.158)
Impairment losses end of year	**(1.064.394)**	**(2.677.176)**
Carrying amount end of year	**0**	**224**

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

	2016/17 DKK
11. Deferred tax	
Changes during the year	
Beginning of year	(5.162.693)
Recognised in the income statement	9.365.859
End of year	**4.203.166**

Notes to consolidated financial statements

	Instalments within 12 months 2016/17 DKK	Instalments within 12 months 2015/16 DKK	Instalments beyond 12 months 2016/17 DKK	Outstanding after 5 years DKK
12. Liabilities other than provisions				
Subordinate loan capital	0	0	0	0
Mortgage debts	561.000	131.430	28.021.630	22.394.860
Bank loans	0	0	0	157.342.690
Finance lease liabilities	2.245.562	2.239.337	5.386.466	1.121.073
Debt to other credit institutions	0	0	195.000.000	37.702.860
Other payables	0	0	9.670.880	0
	2.806.562	**2.370.767**	**238.078.976**	**218.561.483**

	2016/17 DKK	2015/16 DKK
13. Other short-term payables		
VAT and duties	961.032	2.506.191
Wages and salaries, personal income taxes, social security costs, etc payable	7.640.549	6.557.278
	8.601.581	**9.063.469**

	2016/17 DKK	2015/16 DKK
14. Change in working capital		
Increase/decrease in inventories	163.507.891	(1.054.780)
Increase/decrease in receivables	10.266.323	7.861.898
Increase/decrease in trade payables etc	3.769.743	(11.200.004)
Other changes	(8.044.893)	(6.858.316)
	169.499.064	**(11.251.202)**

	2016/17 DKK	2015/16 DKK
15. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	**73.241.955**	**86.659.838**

Notes to consolidated financial statements

16. Mortgages and securities

Mortgage debt of DKK 28,583k (2015/16: DKK 28,724k) is secured by way of mortgage on properties. The book value of pledged properties and land amounts to DKK 46,556k (2015/16: DKK 51,237k).

Bank debt is secured by way of a deposited mortgage deed registered to the mortgagor on plant of DKK 60,000k (2015/16: 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 (2015/16: DKK 67,000k).

17. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Adelis Equity Partners AB, Stockholm, Sweden.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Green Team Group A/S, Billund, CVR no. 33057539.

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

Notes to consolidated financial statements

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

Parent income statement for 2016/17

	Notes	2016/17 DKK	2015/16 DKK
Gross loss		**(205.380)**	**(156.806)**
Staff costs	1	0	47.018
Operating profit/loss		**(205.380)**	**(109.788)**
Income from investments in group enterprises		(186.931.056)	16.821.222
Other financial income	2	4.547.650	5.104.301
Other financial expenses	3	(2.276.368)	(2.328.641)
Profit/loss before tax		**(184.865.154)**	**19.487.094**
Tax on profit/loss for the year	4	(454.498)	(586.492)
Profit/loss for the year	5	**(185.319.652)**	**18.900.602**

Parent balance sheet at 30.06.2017

	Notes	2016/17 DKK	2015/16 DKK
Investments in group enterprises		129.690.258	325.848.758
Fixed asset investments	6	**129.690.258**	**325.848.758**
Fixed assets		**129.690.258**	**325.848.758**
Receivables from group enterprises		193.005.383	125.205.522
Prepayments	7	10.092	12.536
Receivables		**193.015.475**	**125.218.058**
Current assets		**193.015.475**	**125.218.058**
Assets		**322.705.733**	**451.066.816**

Parent balance sheet at 30.06.2017

	Notes	2016/17 DKK	2015/16 DKK
Contributed capital	8	100.624.116	1.142.185
Share premium		165.775.623	165.775.623
Reserve for net revaluation according to the equity method		(174.387)	124.866.305
Retained earnings		45.751.640	103.842.699
Equity		**311.976.992**	**395.626.812**
Subordinate loan capital		0	10.133.620
Non-current liabilities other than provisions		**0**	**10.133.620**
Bank loans		8.269.926	835.143
Trade payables		76.424	75.000
Payables to group enterprises		1.497.898	32.438.480
Income tax payable		738.727	396.650
Other payables	9	145.766	0
Deferred income	10	0	11.561.111
Current liabilities other than provisions		**10.728.741**	**45.306.384**
Liabilities other than provisions		**10.728.741**	**55.440.004**
Equity and liabilities		**322.705.733**	**451.066.816**
Contingent liabilities	11		
Related parties with controlling interest	12		
Transactions with related parties	13		

Parent statement of changes in equity for 2016/17

	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	124.866.305	103.842.699
Increase of capital	99.481.931	0	0	0
Exchange rate adjustments	0	0	2.983.051	0
Other equity postings	0	0	(649.384)	(145.766)
Profit/loss for the year	0	0	(127.374.359)	(57.945.293)
Equity end of year	**100.624.116**	**165.775.623**	**(174.387)**	**45.751.640**

	Total DKK
Equity beginning of year	395.626.812
Increase of capital	99.481.931
Exchange rate adjustments	2.983.051
Other equity postings	(795.150)
Profit/loss for the year	(185.319.652)
Equity end of year	**311.976.992**

Notes to parent financial statements

	2016/17 DKK	2015/16 DKK
1. Staff costs		
Wages and salaries	0	(59.669)
Pension costs	0	11.933
Other social security costs	0	718
	0	**(47.018)**
Average number of employees	**0**	**0**

	2016/17 DKK	2015/16 DKK
2. Other financial income		
Financial income arising from group enterprises	4.547.650	5.104.301
	4.547.650	**5.104.301**

	2016/17 DKK	2015/16 DKK
3. Other financial expenses		
Financial expenses from group enterprises	1.081.158	1.322.414
Exchange rate adjustments	634	509
Other financial expenses	1.194.576	1.005.718
	2.276.368	**2.328.641**

	2016/17 DKK	2015/16 DKK
4. Tax on profit/loss for the year		
Tax on current year taxable income	454.498	396.950
Change in deferred tax for the year	0	189.542
	454.498	**586.492**

	2016/17 DKK	2015/16 DKK
5. Proposed distribution of profit/loss		
Transferred to reserve for net revaluation according to the equity method	(127.374.359)	16.821.222
Retained earnings	(57.945.293)	2.079.380
	(185.319.652)	**18.900.602**

Notes to parent financial statements

	Investments in group enterprises DKK
6. Fixed asset investments	
Cost beginning of year	189.421.341
Cost end of year	**189.421.341**
Revaluations beginning of year	136.427.417
Exchange rate adjustments	2.983.051
Share of profit/loss for the year	(198.727.999)
Other adjustments	(413.552)
Revaluations end of year	**(59.731.083)**
Carrying amount end of year	**129.690.258**

7. Prepayments

Prepayments mainly comprise prepaid insurance and subscriptions.

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

	2016/17 DKK	2015/16 DKK
9. Other payables		
Other costs payable	145.766	0
	145.766	**0**

10. Deferred income

Short-term deferred income mainly comprised badwill in 2015/16.

Notes to parent financial statements

11. Contingent liabilities

The Company umlimitedly guarantees bank debt, lease contracts etc. for companies in the Group (2015/16: DKK 375 million). The secured bank debt amounts to DKK 345 million (2015/16: DKK 374 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. (2015/16: DKK 25 million).

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

12. Related parties with controlling interest

The following parties have controlling interest:

Goldcup 10048 AB, Sundsvall, Sweden.

13. 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.

The accounting policies applied to 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 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.

Accounting policies

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.

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 rate 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.

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 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.

Accounting policies

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

Other external expenses
Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

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

Depreciation, amortisation and impairment losses
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 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.

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 from group enterprises
Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

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.

Financial expenses from group enterprises
Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

Accounting policies

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.

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 value in use of assets and liabilities taken over as part of the acquisition. 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 it is not possible to estimate the useful life reliably, it is set at 10 years. Useful lives are reassessed on an annual basis. The amortisation periods used are 5 to 20 years.

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

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

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

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

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

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

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

Accounting policies

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 if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straigth-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation periods used are 5-20 years.

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

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

Associates with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant associate, and it is probable that such obligation is imminent, a provision is recognised that is measured at present of the costs deemed necessary to incur to settle the obligation.

Accounting policies

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.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are stratically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation periods used are 5-20 years.

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

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

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

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

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

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

Accounting policies

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.

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 carry forwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Other provisions

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

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

Mortgage debt

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

Finance lease liabilities

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

Operating leases

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

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 loans.