Barritskov Holding ApS

Barritskovvej 36, 7150 Barrit

CVR no. 35 81 41 24

Annual report 2017

Approved at the Company's annual general meeting on 23 May 2018

Chairman:

EY

Building a better working world

Contents

Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Barritskov Holding ApS for the financial year 1 January - 31 December 2017.

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

In my opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2017 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2017.

Further, in my opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

I recommend that the annual report be approved at the annual general meeting.

Barrit, 23 May 2018
Executive Board:

Thomas Harttung

Independent auditor's report

To the shareholder of Barritskov Holding ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Barritskov Holding ApS for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2017, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 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 Company financial statements" (herinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for 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 rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the 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 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 the 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:

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company'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 financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the 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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the 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's review.

Aarhus, 23 May 2018
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Tom B. Lassen
State Authorised Public Accountant
MNE no.: mne24820

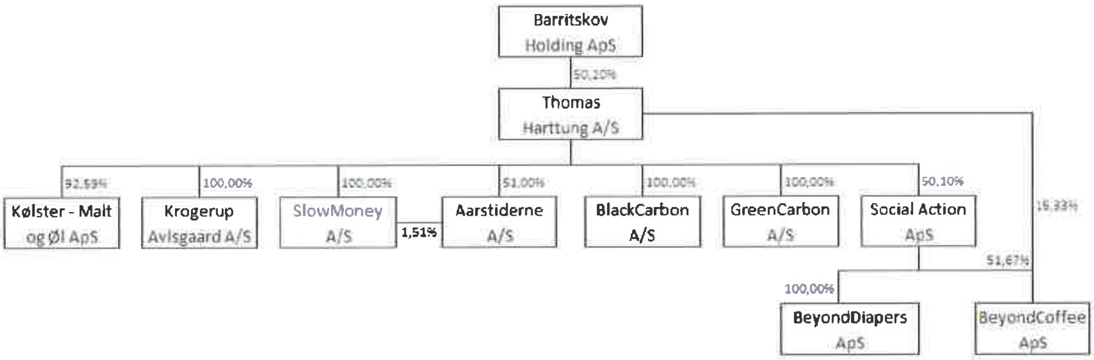
Management's review

Company details

Name	Barritskov Holding ApS
Address, Postal code, City	Barritskovvej 36, 7150 Barrit
CVR no.	35 81 41 24
Established	24 March 2014
Registered office	Hedensted
Financial year	1 January - 31 December
Executive Board	Thomas Harttung
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management's review

Group chart



Financial highlights for the Group

DKK'000	2017	2016	2015	2014
Key figures				
Revenue	677,806	569,795	453,619	369,177
Gross margin	178,485	153,242	123,524	99,959
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	58,724	55,004	46,074	31,574
Operating profit/loss	44,606	43,666	37,096	23,838
Net financials	-961	-1,253	-436	-1,619
Profit/loss for the year	59,738	35,267	29,117	9,871
Total assets	242,277	212,995	182,509	161,159
Share capital	251	251	251	251
Equity	118,490	96,951	84,108	51,610
Cash flows from operating activities	73,478	46,659	16,972	60,961
Net cash flows from investing activities	-16,201	-41,976	-9,428	-44,110
Investment in property, plant and equipment	-9,330	-38,219	0	0
Cash flows from financing activities	-44,917	-11,429	5,883	-6,236
Total cash flows	12,360	-6,746	13,427	10,615
Financial ratios				
Operating margin	6.6%	7.7%	8.2%	6.5 %
Gross margin	26.3%	26.9%	27.2%	27.1%
Solvency ratio	22.4%	23.0%	27.4%	32.0%
Return on equity	39.4%	15.8%	0.0%	0.0%
Return on capital employed	86.5%	109.3%	115.8%	87.3%
Average number of employees	234	196	155	131

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations on the calculation of financial ratios. For terms and definitions, please see the accounting policies.

Management's review

Business review

The primary activities of the Company is to act as a holding company and as a long-term owner of sustainably managed forests and agricultural land.

The principal activities of the Group are to deliver organic products and meal solutions directly to private households, offices, catering companies and other businesses and institutions.

Objective

The Group recreates the close links between the work of the organic farmer and the work in all the kitchens – transforming the bounties of the land into feasts of good, nutritious, seasonal and inspired food.

Financial review

Revenue from forestry and farming increased by 80% to DKK 2 million - and EBIT came in at DKK 0.6 million after a loss of DKK 0.6 million in 2016. This improved performance is expected to continue in 2018.

At Group level, revenue increased by more than DKK 100 million to DKK 678 million, and net profit increased from DKK 35 million to DKK 60 million, mainly driven by a one-time payment as a result of the earn-out agreement with Triodos TOGF. The balance sheet at 31 December 2017 showed equity of DKK 54.3 million after the distribution of dividends of DKK 15 million, compared to the balance sheet at 31 December 2016, which showed equity of DKK 48.9 million. The equity ratio of the parent entity was 54% at the end of 2017 compared to 45% in 2016.

The holding company's share of the Group's net profit was DKK 20 million.

Non-financial matters

Special risks

Price risks

The Group maintains comprehensive cooperation with growers inside and outside of Denmark. As a consequence, the forward price situation is well known within a 12 month perspective. This unique collaboration was further deepened in 2017 through continued concerted efforts.

Currency risks

More than 90% of revenue is received in DKK.

The Group pays its foreign suppliers predominantly in EUR, DKK and SEK.

Knowledge resources

The Group accumulates internal knowledge with regard to its business model, customers and suppliers on a continual basis. Throughout 2017, emphasis was put on developing the cooperation with suppliers, expanding the diversity and the level of cooperation with farmers and producers of organic food. In 2017, emphasis has also been put on the continuing development of the relationship with the customers among other through a line of initiatives such as invitations to country kitchen events.

The commitment and ability of co-workers to take charge of their situation is encouraged through cross-cutting work groups and development projects.

Management's review

Impact on the external environment

As an organically certified entity and due to its articles of association, Aarstiderne is committed to minimising its energy consumption, avoiding any unnecessary negative impact on the environment and using local resources as much as possible. This is reflected in a comprehensive Environmental Assessment Report, which governs company policy in this area and establishes frameworks for engagement and action plans.

The Group engages in carbon accounting, emissions are monitored and reduction projects are assessed.

The Group maintained its organic certification throughout the financial year.

Research and development activities

On the two host farms Barritskov and Krogerup Avlsgaard, test fields are used to gain knowledge and test new varieties of vegetables, herbs, flowers, etc. to be incorporated in the composition of the Group's boxes.

The Group has chosen heirloom varieties of peas and beans for propagating varieties for the purpose of reinventing the supply of plant-based protein from Danish sources. The project is run in cooperation with other organic farmers and The Danish Technological Institute. In cooperation with the University of Aarhus, a local hospital and the organic farmer's organisation, bitter tasting vegetables are tested aiming to find the right varieties to supply diabetes-2-patients with the right metabolites to better control the medical disorder.

Foreign branches

The Group has a small branch in Sweden.

Statutory CSR report

The statutory CSR report is published on the Company's website:
https://www.aarstiderne.com/om-aarstiderne/ideen/miljoeet

Account of the gender composition of Management

The Group's Management consists of one person. Thus, there is no underrepresentation of a gender in the supreme governing body.

Outlook

The Company has entered into an agreement to purchase Damgaarden, a 37 hectare farm on the Eastern and Northern border of the Barritskov Estate. The farm will be rented out to the Barritskov Estate at the same rate per hectare as Randgaard. The purchase will be completed on 1 October 2018.

Net profit in 2018, from operating companies at group level, is expected to reach DKK 40 million.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

Note	DKK'000	Group 2017	Group 2016	Parent company 2017	Parent company 2016
2	Revenue	677,806	569,795	1,964	1,097
	Change in inventories of finished goods and work in progress	962	218	0	0
	Other operating income	3,007	2,895	0	0
	Raw materials and consumables	-341,174	-285,553	0	0
	Other external expenses	-162,116	-134,113	-1,289	-1,596
	Gross margin	178,485	153,242	675	-499
3	Staff costs	-119,761	-98,238	-27	-25
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-14,118	-11,338	-43	-43
	Profit/loss before net financials	44,606	43,666	605	-567
	Income from investments in group entities	26,187	2,101	20,763	9,913
	Income from investments in associates	0	329	0	0
	Financial income	1,040	1,634	0	0
4	Financial expenses	-2,001	-2,887	-1,148	-2,113
	Profit before tax	69,832	44,843	20,220	7,233
5	Tax for the year	-10,094	-9,576	112	584
	Profit for the year	59,738	35,267	20,332	7,817
	Specification of the Group's results of operations:				
	Shareholder in Barritskov Holding ApS	20,332	7,817		
	Non-controlling interests	39,406	27,450		
		59,738	35,267		

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group 2017	Group 2016	Parent company 2017	Parent company 2016
	ASSETS				
	Fixed assets				
6	Intangible assets				
	Group goodwill	12,966	13,139	0	0
	IT platform	9,409	3,612	0	0
	Intellectual property rights and trademarks	6,174	6,347	0	0
	Acquired other similar rights	250	350	0	0
	Goodwill	1,665	1,867	0	0
	Development projects in progress and prepayments for intangible assets	0	2,891	0	0
		30,464	28,206	0	0
7	Property, plant and equipment				
	Land and buildings	59,595	59,613	59,595	59,613
	Other fixtures and fittings, tools and equipment	37,943	39,428	62	87
	Property, plant and equipment in progress	2,125	0	0	0
		99,663	99,041	59,657	59,700
8	Investments				
	Investments in group entities, net asset value	0	0	36,205	46,974
	Investments in associates, net asset value	0	46	0	0
	Deposits, investments	24	0	0	0
		24	46	36,205	46,974
	Total fixed assets	130,151	127,293	95,862	106,674
	Non-fixed assets				
	Inventories				
	Raw materials and consumables	1,640	1,647	0	0
	Finished goods and goods for resale	17,957	11,708	0	0
		19,597	13,355	0	0
	Receivables				
	Trade receivables	21,279	18,106	1,331	407
	Receivables from group entities	0	0	347	7
11	Deferred tax assets	0	0	146	155
	Income taxes receivable	1,313	0	1,313	0
	Other receivables	8,164	8,661	0	30
9	Prepayments	6,739	2,917	0	0
		37,495	29,684	3,137	599
	Securities and investments				
	Other securities and investments	71	70	0	0
		71	70	0	0
	Cash	54,963	42,593	2,288	1,640
	Total non-fixed assets	112,126	85,702	5,425	2,239
	TOTAL ASSETS	242,277	212,995	101,287	108,913

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group 2017	Group 2016	Parent company 2017	Parent company 2016
	EQUITY AND LIABILITIES				
	Equity				
	Share capital	251	251	251	251
	Net revaluation reserve according to the equity method	0	0	0	5,212
	Retained earnings	54,005	48,673	54,005	43,461
	Shareholders in Barritskov Holding ApS' share of equity	54,256	48,924	54,256	48,924
	Non-controlling interests	64,234	48,027	0	0
	Total equity	118,490	96,951	54,256	48,924
	Provisions				
11	Deferred tax	3,048	1,676	0	0
	Total provisions	3,048	1,676	0	0
	Liabilities other than provisions				
10	Non-current liabilities other than provisions				
	Mortgage debt	24,250	24,551	24,250	24,551
	Bank debt	0	4,000	0	0
	Lease liabilities	7,167	8,964	0	0
		31,417	37,515	24,250	24,551
	Current liabilities other than provisions				
10	Current portion of long-term liabilities	2,438	2,864	292	291
	Bank debt	10	0	0	0
	Prepayments received from customers	1,394	885	0	0
	Trade payables	49,974	43,434	54	16
	Payables to group entities	0	0	13,021	33,926
	Income taxes payable	0	338	0	338
	Joint taxation contribution payable	0	0	2,798	602
	Payables to shareholders and management	285	179	285	179
	Deposits	1,217	1,544	0	0
	Other payables	34,004	27,609	6,331	86
		89,322	76,853	22,781	35,438
	Total liabilities other than provisions	120,739	114,368	47,031	59,989
	TOTAL EQUITY AND LIABILITIES	242,277	212,995	101,287	108,913

1 Accounting policies
12 Contractual obligations and contingencies, etc.
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15 Fee to the auditors appointed by the Company in general meeting

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity

	Group				
DKK'000	Share capital	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 January 2017	251	48,673	48,924	48,027	96,951
Changes in investments	0	0	0	194	194
Transfer through appropriation of profit	0	20,332	20,332	39,406	59,738
Extraordinary dividend distributed	0	-15,000	-15,000	-23,393	-38,393
Equity at 31 December 2017	251	54,005	54,256	64,234	118,490

		Parent company			
Note	DKK'000	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
	Equity at 1 January 2017	251	5,212	43,461	48,924
16	Transfer, see "Appropriation of profit"	0	20,763	-431	20,332
	Equity transferred to reserves	0	5,557	-5,557	0
	Distributed dividend from group enterprises	0	-31,532	31,532	0
	Extraordinary dividend distributed	0	0	-15,000	-15,000
	Equity at 31 December 2017	251	0	54,005	54,256

Consolidated financial statements and parent company financial statements 1 January - 31 December

Cash flow statement

Note	DKK'000	Group 2017	Group 2016
	Profit for the year	59,738	35,267
17	Adjustments	16,490	12,101
	Cash generated from operations (operating activities)	76,228	47,368
18	Changes in working capital	10,387	10,210
	Cash generated from operations (operating activities)	86,615	57,578
	Interest received, etc.	1,040	639
	Interest paid, etc.	-2,001	-1,893
	Income taxes paid	-12,176	-9,665
	Cash flows from operating activities	73,478	46,659
	Additions of intangible assets	-6,216	-4,891
	Additions of property, plant and equipment	-9,330	-38,219
	Disposals of intangible assets and property, plant and equipment	0	225
	Acquisition of companies	327	0
	Changes in investments in subsidiaries	-982	899
	Changes in investments in associates	0	-329
	Dividend received from associates	0	339
	Cash flows to investing activities	-16,201	-41,976
	Dividends distributed	-38,393	-23,865
	Proceeds of debt to credit institutions	0	3,123
	Proceeds of debt, finance leases	0	8,964
	Repayments, long-term liabilities	-6,524	-801
	Cash capital increase	0	1,150
	Cash flows from financing activities	-44,917	-11,429
	Net cash flow	12,360	-6,746
	Cash and cash equivalents at 1 January	42,593	49,339
	Cash and cash equivalents at 31 December	54,953	42,593

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Barritskov Holding ApS for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company and subsidiaries controlled by the Parent Company.

Control means a parent company's power to direct a subsidiary's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Investments in associates and joint ventures are recognised in the consolidated financial statements using the equity method.

The group's activities in joint operations are recognised on a line-by-line basis.

Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' equity interest or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

In the former scenario, goodwill relating to the non-controlling interests' share of the acquiree is thus recognised, whereas, in the latter scenario, goodwill relating to the non-controlling interests' share is not recognised. The measurement scenario is decided transaction by transaction.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Leases

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Public grants

Public grants to cover expenses are recognised in the income statement when it is deemed likely that all grant criteria have been met. Grants which must be repaid under certain circumstances are recognised only where they are not expected to be repaid.

Income statement

Revenue

Revenue from the sale of goods for resale is recognised in the income statement provided that delivery and transfer of risk to the buyer has taken place before year end and that the income can be reliably measured and is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of fixed assets.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Raw materials and consumables, etc.

Raw materials and consumables include expenses relating to raw materials and consumables used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The cost net of the expected residual value for completed development projects and acquired IP rights is amortised over the expected useful life. Acquired IP rights include patents, rights and licences.

Amortisation is recognised in the income statement.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

IT platform	3-5 years
Intellectual property rights and trademarks	5-20 years
Acquired other similar rights	20 years
Goodwill	20 years
Group goodwill	20 years

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Buildings	50 years
Other fixtures and fittings, tools and equipment	2-10 years

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Land is not depreciated.

Income from investments in subsidiaries and associates

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries and associates are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries. Only proportionate elimination of intra-group gains/losses is made for equity investments in associates.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Goodwill is amortised over the estimated useful life determined on the basis of Management's experience of the specific business areas. Goodwill is amortised over a period of 20 years or less, as this amortisation period is considered the best way to reflect the utility of the resources in question.

Other intangible assets comprise the IT platform, ongoing development projects, intellectual property rigths and trademarks.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Development projects regarding products and processes that are clearly defined and identifiable, where the technical utilisation degree, sufficient resources and a potential future market or development opportunities in the Company is evidenced, and where the Company intends to produce, market or use the project or the process in question, are recognised as intangible assets. Other development costs are recognised in the income statement when incurred.

Development costs comprise costs, including salaries and travelling expenses that are directly and indirectly attributable to the development projects.

Following the completion of the development work, development costs are amortised on a straight line basis over the estimated useful life. The amortisation period is usually five years.

The IT platform is measured at cost less accumulated amortisation and impairment. Cost comprises the acquisition price and any costs directly attributable to the acquisition until the date when the asset is available for use.

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Notes to the financial statements

1 Accounting policies (continued)

Intellectual property rights and trademarks are measured at cost less accumulated amortisation and impairment. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Investments in subsidiaries and associates

Equity investments in subsidiaries and associates are measured according to the equity method. Equity investments in joint ventures are also measured according to the equity method in the consolidated financial statements.

On initial recognition, equity investments in subsidiaries and associates are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries and associates measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Notes to the financial statements

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Securities and investments

Securities and investments consisting in listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Deferred income

Prepayments from customers comprise payments received concerning income invoiced in the following year.

Advance invoicing of revenue comprises revenue excluding VAT on goods invoiced, but not yet delivered.

Deposits, customers, comprise deposits invoiced to the subscribers.

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios.

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating margin	$\frac{\text{Operating profit x 100}}{\text{Revenue}}$
Gross margin ratio	$\frac{\text{Gross margin x 100}}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity excl. non-controlling interests, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss for the year excl. non-controlling interests x 100}}{\text{Average equity excl. non-controlling interests}}$
Return on capital employed	$\frac{\text{Operating profit x 100}}{\text{Average operating assets}}$

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

2 Segment information

Group revenue relates to the delivery of organic meal solutions and vegetable boxes to private households in Denmark and Sweden, to the supply of organic fresh produce to restaurants, caterers and businesses, to the brewing of Demeter beer and Cider at Krogerup and to the production of oyster mushrooms from spent coffee grounds in Greater Copenhagen. Management consider the activity as one segment.

	Group		Parent company	
DKK'000	2017	2016	2017	2016
3 Staff costs				
Wages/salaries	110,148	90,235	27	25
Pensions	8,434	6,905	0	0
Other social security costs	1,306	1,150	0	0
Other staff costs	44	0	0	0
Staff costs transferred to non-current assets	-171	-52	0	0
	119,761	98,238	27	25

	Group		Parent company	
	2017	2016	2017	2016
Average number of full-time employees	234	196	1	1

Group

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to group Management is not disclosed.

Parent company

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

	Group		Parent company	
DKK'000	2017	2016	2017	2016
4 Financial expenses				
Interest expenses, group entities	0	0	414	992
Other financial expenses	2,001	2,887	734	1,121
	2,001	2,887	1,148	2,113

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Notes to the financial statements

DKK'000	Group 2017	Group 2016	Parent company 2017	Parent company 2016
5 Tax for the year				
Estimated tax charge for the year	8,581	9,911	-121	-460
Deferred tax adjustments in the year	1,411	-337	9	-126
Tax adjustments, prior years	102	2	0	2
	10,094	9,576	-112	-584

6 Intangible assets

DKK'000	Group goodwill	IT platform	Intellectual property rights and trademarks	Acquired other similar rights	Goodwill	Development projects in progress and prepayments for intangible assets	Total
	Group						
Cost at 1 January 2017	28,679	14,616	12,193	2,000	3,818	2,891	64,197
Additions in the year	2,636	5,629	587	0	0	0	8,852
Disposals in the year	-2,003	-81	0	0	0	0	-2,084
Transfer from other accounts	0	2,891	0	0	0	-2,891	0
Cost at 31 December 2017	29,312	23,055	12,780	2,000	3,818	0	70,965
Impairment losses and amortisation at 1 January 2017	15,540	11,004	5,846	1,650	1,951	0	35,991
Amortisation/depreciation in the year	1,431	2,723	760	100	202	0	5,216
Reversal of depreciation and impairment of disposals	-625	-81	0	0	0	0	-706
Impairment losses and amortisation at 31 December 2017	16,346	13,646	6,606	1,750	2,153	0	40,501
Carrying amount at 31 December 2017	12,966	9,409	6,174	250	1,665	0	30,464
Amortised over	20 years	3-5 years	5-20 years	20 years	20 years		

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Notes to the financial statements

7 Property, plant and equipment

	Group			
DKK'000	Land and buildings	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total
Cost at 1 January 2017	59,666	73,588	0	133,254
Additions on corporate acquisition	0	234	0	234
Additions in the year	0	7,205	2,125	9,330
Disposals in the year	0	-606	0	-606
Cost at 31 December 2017	59,666	80,421	2,125	142,212
Impairment losses and depreciation at 1 January 2017	53	34,160	0	34,213
Accumulated depreciation of additions through corporate acquisition	0	40	0	40
Amortisation/depreciation in the year	18	8,884	0	8,902
Reversal of amortisation/depreciation and impairment of disposals	0	-606	0	-606
Impairment losses and depreciation at 31 December 2017	71	42,478	0	42,549
Carrying amount at 31 December 2017	59,595	37,943	2,125	99,663
Property, plant and equipment include finance leases with a carrying amount totalling	0	9,073	0	9,073
Depreciated over	50 years	2-10 years		

	Parent company		
DKK'000	Land and buildings	Other fixtures and fittings, tools and equipment	Total
Cost at 1 January 2017	59,666	127	59,793
Cost at 31 December 2017	59,666	127	59,793
Impairment losses and depreciation at 1 January 2017	53	40	93
Amortisation/depreciation in the year	18	25	43
Impairment losses and depreciation at 31 December 2017	71	65	136
Carrying amount at 31 December 2017	59,595	62	59,657
Depreciated over	50 years	3 years	

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Notes to the financial statements

8 Investments

DKK'000	Group: Investments in associates, net asset value	Group: Deposits, investments	Group: Total
Cost at 1 January 2017	51	0	51
Additions on corporate acquisition	0	24	24
Disposals in the year	-13	0	-13
Cost at 31 December 2017	38	24	62
Value adjustments at 1 January 2017	-5	0	-5
Reversal of impairment losses on assets disposed	-33	0	-33
Value adjustments at 31 December 2017	-38	0	-38
Carrying amount at 31 December 2017	0	24	24

DKK'000	Parent company: Investments in group entities, net asset value
Cost at 1 January 2017	41,762
Cost at 31 December 2017	41,762
Value adjustments at 1 January 2017	5,212
Dividend distributed	-31,532
Share of the profit/loss for the year	20,752
Revaluations for the year	110
Impairment losses	-99
Value adjustments at 31 December 2017	-5,557
Carrying amount at 31 December 2017	36,205

The carrying amount of subsidiaries comprises a share of the entities' net asset value, DKK 34,614 thousand, goodwill at a carrying amount of DKK 1,591 thousand and advance dividend rights at a carrying amount of DKK 0 thousand.

Parent company

Name	Legal form	Domicile	Interest
Subsidiaries			
Thomas Harttung A/S	Private limited company	Hedensted	50.20%

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Notes to the financial statements

9 Prepayments

Group

Prepayments comprise prepaid costs regarding rent, insurance premium, subscriptions and returnable packages and boxes.

10 Non-current liabilities other than provisions

	Group			
DKK'000	Total debt at 31/12 2017	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	24,542	292	24,250	23,090
Lease liabilities	9,313	2,146	7,167	0
	33,855	2,438	31,417	23,090

	Parent company			
DKK'000	Total debt at 31/12 2017	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	24,542	292	24,250	23,090
	24,542	292	24,250	23,090

	Group		Parent company	
DKK'000	2017	2016	2017	2016

11 Deferred tax

	Group		Parent company	
DKK'000	2017	2016	2017	2016
Deferred tax at 1 January	1,676	2,037	-155	-29
Deferred tax adjustment in the year, income statement	1,411	-337	9	-126
Deferred tax on corporate acquisition	-39	-24	0	0
Deferred tax at 31 December	3,048	1,676	-146	-155

Deferred tax relates to:

	Group		Parent company	
DKK'000	2017	2016	2017	2016
Intangible assets	3,546	2,438	0	0
Property, plant and equipment	-661	-733	12	3
Receivables	69	58	0	0
Inventories	541	433	0	0
Liabilities	-53	-119	0	0
Tax loss	-236	-243	0	0
Other non-taxable temporary differences	-158	-158	-158	-158
	3,048	1,676	-146	-155

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Notes to the financial statements

12 Contractual obligations and contingencies, etc.

Other contingent liabilities

	Group		Parent company	
DKK'000	2017	2016	2017	2016
Guarantee commitments	300	300	0	0
Other contingent liabilities	5,266	6,054	0	0
	5,566	6,354	0	0

Group

The Group has entered into a lease, which is interminable until termination at 31 March 2024 with a yearly leasehold fee of DKK 843 thousand. The total obligation amounts to DKK 5,266 thousand.

For the fulfillment of Krogerup Avlsgaard A/S' obligations to the lessor, a bank guarantee of DKK 300 thousand has been provided as collateral.

Other financial obligations

Other rent and lease liabilities:

	Group		Parent company	
DKK'000	2017	2016	2017	2016
Rent and lease liabilities	41,150	43,784	0	0

Group

The Group has entered into leases for office space, warehouses, terminals and warehousing with a rent commitment for 2018-2025 of DKK 38,931 thousand (2016: DKK 38,921 thousand).

Operating lease commitment totals of DKK 4,368 thousand (2016: DKK 4,863 thousand).

Parent company

As management company, the Company is jointly taxed with other Danish group entities. Together with other jointly taxed group entities, the Company has joint and several liability for payment of income taxes and withholding taxes.

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Notes to the financial statements

13 Collateral

Group

As collateral for the Group's debt to mortgage credit institutions and other credit institutions, the Group has placed assets or other items as collateral worth a total of DKK 49,542 thousand. The total carrying amount of the assets having been provided as security is DKK 148,628 thousand. Breakdown of the collateral and the carrying amount:

Land and buildings at a carrying amount of DKK 59,595 thousand at 31 December 2017 have been provided as collateral for debt to mortgage credit institutions, totalling DKK 24,542 thousand.

A letter of indemnity, DKK 17,000 thousand, which includes trade receivables, inventories, operating equipment, goodwill and intellectual property rights has been provided as collateral for amounts owed to Sydbank.

The Group has issued letters of indemnity totalling DKK 8,000 thousand secured on fixtures and fittings, tools and equipment.

Parent company

As security for the parent company's debt to mortgage credit institutions, the parent company has placed assets or other items as collateral worth a total of DKK 24,542 thousand. The total carrying amount of the assets having been provided as collateral is DKK 59,595 thousand. Breakdown of the collateral and the carrying amount:

Land and buildings at a carrying amount of DKK 59,595 thousand at 31 December 2017 have been provided as collateral for debt to mortgage credit institutions, totalling DKK 24,542 thousand.

14 Related parties

Group

Barritskov Holding ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Thomas Harttung	Hedensted	Majority shareholder

Related party transactions

There are no intra-group transactions that have not been carried through on normal market terms.

All transactions have been carried out on an arm's length basis.

Parent company

Parties exercising control

Related party	Domicile	Basis for control
Thomas Harttung	Hedensted	Majority shareholder

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Notes to the financial statements

Transactions with related parties

There are no intra-group transactions that have not been carried through on normal market terms.

All transactions have been carried out on an arm's length basis.

		Group	
	DKK'000	2017	2016
15	Fee to the auditors appointed by the Company in general meeting		
	Total fees to EY	451	423
	Statutory audit	190	204
	Assurance engagements	18	15
	Tax assistance	32	58
	Other assistance	211	146
		451	423

		Parent company	
	DKK'000	2017	2016
16	Appropriation of profit		
	Recommended appropriation of profit		
	Extraordinary dividend distributed in the year	15,000	9,000
	Net revaluation reserve according to the equity method	20,763	9,913
	Retained earnings/accumulated loss	-15,431	-11,096
		20,332	7,817
17	Adjustments		
	Amortisation/depreciation and impairment losses	14,118	11,338
	Gain/loss on the sale of non-current assets	0	-154
	Financial income	-1,040	-639
	Financial expenses	2,001	1,893
	Deferred tax	1,411	-337
		16,490	12,101
18	Changes in working capital		
	Change in inventories	-5,787	-4,816
	Change in receivables	4,551	-24,825
	Change in trade and other payables	11,624	39,851
	Other changes in working capital	-1	0
		10,387	10,210