ENGELSTED
PETERSEN
statsautoriserede
revisorer

Vestergaard Hejnsvig ApS

Ravnholtgyden 5

6600 Vejen

CVR No. 37457310

Annual Report 2018

3. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 25 April 2019

Jens Ohnemus
Chairman

ENGELSTED
PETERSEN
statsautoriserede
revisorer

Contents

ENGELSTED
PETERSEN
statsautoriserede
revisorer

Management's Statement

Today, Management has considered and adopted the Annual Report of Vestergaard Hejnsvig ApS for the financial year 1 January 2018 - 31 December 2018.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January 2018 - 31 December 2018.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report is adopted at the Annual General Meeting.

Vejen, 26 March 2019

Executive Board

Hans Thor Jensen
Director

Supervisory Board

Jens Ohnemus Chairman	Hans Thor Jensen Director	Maria Steiner Carlsson Non Executive director

ENGELSTED PETERSEN
statsautoriserede revisorer

Independent Auditor's Report

To the shareholders of Vestergaard Hejnsvig ApS

Opinion

We have audited the financial statements of Vestergaard Hejnsvig ApS for the financial year 1 January 2018 - 31 December 2018, which comprise an income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2018 and of the results of its operations for the financial year 1 January 2018 - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under “Auditors' responsibility for the audit of the financial statements”. As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, 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 responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management considers 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 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

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

*Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 Company's internal control.

*Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.

*Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could cast significant doubt on the 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.

*Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect the underlying transactions and events in a manner that gives a true and fair view.

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 which we identify during our audit.

Statement on 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 opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements 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 with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Independent Auditor's Report

ENGELSTED PETERSEN
statsautoriserede revisorer

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Næstved, 26 March 2019

ENGELSTED PETERSEN
Statsaut. revisionsanpartsselskab
CVR-no. 20658231

Lars Engelsted Petersen
State Authorised Public Accountant
mne11683

ENGELSTED PETERSEN
statsautoriserede revisorer

Company details

Company	Vestergaard Hejnsvig ApS Ravnholtgyden 5 6600 Vejen
CVR No.	37457310
Date of formation	16 February 2016
Registered office	Vejen
Financial year	1 January 2018 - 31 December 2018
Supervisory Board	Jens Ohnemus, Chairman Hans Thor Jensen, Director Maria Steiner Carlsson, Non executive director
Executive Board	Hans Thor Jensen, Director
Auditors	ENGELSTED PETERSEN Statsaut. revisionsanpartsselskab Vestre Kaj 2, 1. 4700 Næstved CVR-no.: 20658231

Management's Review

The Company's principal activities

The Company's principal activities consist in operation of farms and farmland.

Accounting Policies

Reporting Class
The Annual Report of Vestergaard Hejnsvig ApS for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

The accounting policies applied remain unchanged from last year.

Reporting currency
The Annual Report is presented in EUR.

General Information

Basis of recognition and measurement
The financial statement have been prepared under the historical cost princip.

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies

Income Statement

Gross profit/loss
The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, other operation income, cost of raw and consumables and other external expenses.

Revenue
Income from the sale of goods for resale and finished goods is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer beforeyear-end, if it is possible to calculate the income reliably. The revenue is exclusive of VAT and net of sales discounts.

Income from delivery of services is recognised on a straight-line basis in net sales, as the service is delivered.

Other external expenses
Other external costs include costs for distribution, sales, advertising, administration, premises. loss of debitors, operating leasing costs etc.

Fair value adjustment of investment assets and debts
Adjustments of investment assets and debts measured at fair value are recognised as a separate item in the Income Statement.

Financial income and expenses
Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, finance charges in respect offinance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme.

Dividends equity investments are recognised as income in the financial year in which the dividends are declared.

Tax on net profit for the year
Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Accounting Policies

Balance Sheet

Intangible assets
Payment entitlements are recognised at the date of acquisition at cost plus costs directly attributable to the acquisition. Subsequently, payment entitlements are measured at fair value by adjusting the carrying amount through upwards or downwards adjustments in the Income Statement.

Tangible assets
Tangible assets are recognised at the date of acquisition at cost plus costs directly attributable to the acquisition. Subsequently, tangible assets are measured at fair value by adjusting the carrying amount through upwards or downwards adjustments in the Income Statement.

Investment property
Investment property comprises investment in land and buildings for the purpose of achieving a return on the invested capital in the form of regular operating income and a capital gain on resale. Investment property is recognised at the date of acquisition at cost plus costs directly attributable to the acquisition. Interest and other borrowing costs in the construction period are recognised in cost. Subsequently, investment property is measured at fair value by adjusting the carrying amount through upwards or downwards adjustments in the Income Statement. For calculation of the fair value, an individually determined discount rate is used based on capitalisation of the expected, continuing future operating income from the property. In so far as current market prices are available for comparable property, these will form the basis of the assessment of the fair value of the property.

Inventories
Inventories are measured at cost on the basis of the FIFO principle. Where the net realisable value is lower than cost, the inventories are written down to this lower value.

The net realisable value of inventories is calculated as the selling price less costs of completion and costs incurred to make the sale. The value is determined taking into account the negotiability of inventories, obsolescence and expected development in sales price.

Receivables
Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Provisions

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the Income Statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortised cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortised cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities, comprising deposits, trade payables and other accounts payable, are measured at amortised cost, which usually corresponds to the nominal value.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2018 EUR	2017 EUR
Gross profit		**321.794**	**277.060**
Employee benefits expense	1	0	0
Gains from current value adjustments of investment assets		66.533	752.083
Profit from ordinary operating activities		**388.327**	**1.029.143**
Finance income		0	9.578
Other finance expenses		-59.639	-158.673
Profit from ordinary activities before tax		**328.688**	**880.048**
Tax expense on ordinary activities		-76.878	-193.612
Profit		**251.810**	**686.436**
Proposed distribution of results			
Retained earnings		251.810	686.436
Distribution of profit		**251.810**	**686.436**

Balance Sheet as of 31 December

	Note	2018 EUR	2017 EUR
Assets			
Payment entitlements	2	120.526	107.456
Intangible assets		**120.526**	**107.456**
Land and buildings	3	7.681.625	7.640.557
Fixtures, fittings, tools and equipment	4	133.917	134.320
Property, plant and equipment		**7.815.542**	**7.774.877**
Fixed assets		**7.936.068**	**7.882.333**
Raw materials and consumables		0	50.011
Inventories		**0**	**50.011**
Short-term trade receivables		0	8.461
Receivables		**0**	**8.461**
Cash and cash equivalents		**496.200**	**175.748**
Current assets		**496.200**	**234.220**
Assets		**8.432.268**	**8.116.553**

Balance Sheet as of 31 December

	Note	2018 EUR	2017 EUR
Liabilities and equity			
Contributed capital		6.725	6.725
Retained earnings		794.870	543.060
Equity		**801.595**	**549.785**
Provisions for deferred tax		230.051	153.173
Provisions		**230.051**	**153.173**
Mortgage debt		4.757.407	4.856.327
Long-term liabilities other than provisions	5	**4.757.407**	**4.856.327**
Short-term part of long-term liabilities other than provisions		99.400	99.311
Trade payables		1.235	3.776
Payables to group enterprises		2.467.320	2.420.449
Other payables		52.627	11.099
Deposits, liabilities other than provisions		22.633	22.633
Short-term liabilities other than provisions		**2.643.215**	**2.557.268**
Liabilities other than provisions within the business		**7.400.622**	**7.413.595**
Liabilities and equity		**8.432.268**	**8.116.553**

Contingent liabilities	6
Collaterals and assets pledges as security	7
Assumptions on calculation method of fair value for assets and liabilities	8

Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2018	6.725	543.060	549.785
Profit (loss)	0	251.810	251.810
Equity 31 December 2018	**6.725**	**794.870**	**801.595**

The share capital has remained unchanged since the date of formation.

ENGELSTED PETERSEN statsautoriserede revisorer

Notes

	2018 EUR	2017 EUR
1. Employee benefits expense		
Average number of employees	0	0
2. Payment entitlements		
Cost at the beginning of the year	138.719	136.704
Addition during the year, incl. improvements	0	2.015
Cost at the end of the year	**138.719**	**138.719**
Fair value adjustments at the beginning of the year	-31.263	0
Adjustments for the year	13.070	-31.263
Fair value adjustments at the end of the year	**-18.193**	**-31.263**
Carrying amount at the end of the year	**120.526**	**107.456**
3. Land and buildings		
Cost at the beginning of the year	6.802.978	6.293.458
Addition during the year, incl. improvements	10.847	509.520
Cost at the end of the year	**6.813.825**	**6.802.978**
Fair value adjustments at the beginning of the year	837.579	0
Adjustments for the year	30.221	837.579
Fair value adjustments at the end of the year	**867.800**	**837.579**
Carrying amount at the end of the year	**7.681.625**	**7.640.557**
4. Fixtures, fittings, tools and equipment		
Cost at the beginning of the year	188.553	188.553
Cost at the end of the year	**188.553**	**188.553**
Fair value adjustments at the beginning of the year	-54.233	0
Adjustments for the year	-403	-54.233
Fair value adjustments at the end of the year	**-54.636**	**-54.233**
Carrying amount at the end of the year	**133.917**	**134.320**

Notes

5. Long-term liabilities

	Due after 1 year EUR	Due within 1 year EUR	Due after 5 years EUR
Mortgage debt	4.757.407	99.400	4.337.967
	4.757.407	**99.400**	**4.337.967**

6. Contingent liabilities

The Company is jointly taxed with the other enterprises in the group and are jointly and severally liable for the taxes that concern the joint taxation. The total amount appears from the annual report of Harvest Group ApS which is the administration company in the joint taxation.

7. Collaterals and securities

As security for mortgage debt and debt to banks the company has granted a pledge on land and buildings on EUR 7.111.004.

8. Assumptions on calculation method of fair value for assets and liabilities

By the preparation of the financial statement the management had to make assumptions affecting the assets and liabilities as at balance sheet date and also the sales and expenses for the financial year. The management regularly evaluates these assessments and valuations.

The assessment and valuations are based on historical experiences and a number of other factors considered reasonable under the given circumstances. Under different circumstances the actual results can deviate from the assessments, cf. the accounting policies.

The following assessments are significant in order to describe the financial position:

The investment property is assessed to estimated market value based on a normalized operating profit on EUR 228.000 and a rate of return on 2,91%. The rate of return is determined with regards to the location, maintenance and rental rate of the property and also the terms and conditions in the rental agreements.

The property consists of farms and farmland and is located in Jutland, Denmark.

The lease agreements are concluded on usual Danish terms, with an annual rent of approximately EUR 269.000.