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Hallumgade Invest ApS

Adelvej 9, Skovlund, 6823 Ansager

Company reg. no. 38 45 13 08

Annual report

1 January - 31 December 2019

The annual report was submitted and approved by the general meeting on the 19 May 2020.

Martin Kuper
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Hallumgade Invest ApS for the financial year 1 January to 31 December 2019.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2019 and of the company's results of its activities in the financial year 1 January to 31 December 2019.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Ansager, 19 May 2020

Managing Director

Martin Kuper

Board of directors

Stefan Wernsing Chairman	Martin Kuper	Martin Zwinkels

Independent auditor's report

To the shareholders of Hallumgade Invest ApS

Opinion

We have audited the annual accounts of Hallumgade Invest ApS for the financial year 1 January to 31 December 2019, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January to 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the 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 the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management’s preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 auditor’s report to the related disclosures in the annual accounts 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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management’s review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management’s review and in that connection consider whether the management’s review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Independent auditor's report

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 19 May 2020

Grant Thornton
State Authorised Public Accountants
Company reg. no. 34 20 99 36

Brian Rasmussen
State Authorised Public Accountant
mne30153

Company information

The company	Hallumgade Invest ApS Adelvej 9 Skovlund 6823 Ansager	
	Company reg. no.	38 45 13 08
	Financial year:	1 January - 31 December
Board of directors	Stefan Wernsing, Chairman Martin Kuper Martin Zwinkels	
Managing Director	Martin Kuper	
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	
Parent company	Wernsing Scandinavia ApS	
Subsidiaries	Hallumgade Pig Production ApS, Varde Hallumgade Farming ApS, Varde	

Management commentary

The principal activities of the company

The purpose of the company is to hold real estate specifically for agricultural purposes and other related activities.

Development in activities and financial matters

The gross profit for the year is tDKK 4.768 against tDKK 4.609 last year. The results from ordinary activities after tax are tDKK 4.879 against tDKK 632 last year. The management consider the results satisfactory.

Accounting policies

The annual report for Hallumgade Invest ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises.

The annual report is presented in DKK. The annual report comprises the first financial year and hence comparative figures are not available.

Income statement

Gross profit

Gross profit comprises the revenue, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Other operating income comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains on disposal of intangible and tangible fixed assets.

Other external costs comprise costs for administration and premises.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on and writedown relating to tangible fixed assets respectively.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual group enterprises are recognised in the income statement as a proportional share of the group enterprises' post-tax profit or loss.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

Accounting policies

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life :

	Useful life
Buildings	20 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

Accounting policies

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist.

Financial fixed assets

Equity in group enterprises

Equity in group enterprises recognised in the statement of financial position as a proportional share of the enterprise's equity value. This is calculated on the basis of the accounting policies of the parent less/plus unrealised intercompany profits and losses, and less/plus residual value of positive or negative goodwill measured by applying the purchase method.

Group enterprises with negative equity are recognised at no value and, to the extent they are considered irrevocable, amounts owed by these companies are made subject to impairment by the parent's share of the equity. If the negative equity exceeds the receivables, the residual amount is recognised under liability provisions to the extent that the parent has a legal or actual liability to cover the negative equity of these subsidiaries.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

Profit or loss in connection with the disposal of group enterprises are measured as the difference between the sales amount and the carrying amount of net assets at the time of sale, inclusive of remaining consolidated goodwill and expected costs of sale or liquidation. Profit and loss are recognised in the income statement under net financials.

For the acquisition of new group enterprises, the purchase method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for pre-determined restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of revaluations is taken into consideration.

Accounting policies

Positive differences (goodwill) between cost and fair value of identifiable acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises and are amortised over their estimated useful economic life. The useful life is determined on the basis of management's experience in the individual business areas. The amortisation period is maximum 20 years, being the longer for strategical acquirees with a strong market position and a longterm earnings potential. The carrying amount of goodwill is subject to impairment tests on a continuing basis and written down in the income statement in those cases when the carrying amount exceeds the expected future net income from the enterprise or the activity to which the goodwill is attached.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Available funds

Available funds comprise cash at bank.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries and associates proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Hallumgade Invest ApS is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Accounting policies

Liabilities

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

Income statement 1 January - 31 December

All amounts in DKK.

Note		2019	2018
	Gross profit	**4.768.293**	**4.608.951**
	Depreciation and writedown relating to tangible fixed assets	-2.076.662	-2.076.662
	Operating profit	**2.691.631**	**2.532.289**
	Income from equity investments in group enterprises	628.651	-714.952
	Other financial income from group enterprises	4.035.266	750.487
1	Other financial costs	-1.830.102	-1.710.620
	Pre-tax net profit or loss	**5.525.446**	**857.204**
2	Tax on ordinary results	-645.876	-225.254
	Net profit or loss for the year	**4.879.570**	**631.950**
	Proposed appropriation of net profit:		
	Reserves for net revaluation according to the equity method	358.651	-714.952
	Transferred to retained earnings	4.520.919	1.346.902
	Total allocations and transfers	**4.879.570**	**631.950**

Statement of financial position 31 December

All amounts in DKK.

Note	**Assets**	2019	2018
	Non-current assets		
3	Land and property	132.894.715	134.971.377
	Total property, plant, and equipment	132.894.715	134.971.377
4	Equity investments in group enterprises	680.992	140.387
	Amounts owed by group enterprises	28.649.031	33.403.375
	Total investments	29.330.023	33.543.762
	Total non-current assets	**162.224.738**	**168.515.139**
	Current assets		
	Amounts owed by group enterprises	13.826.825	12.684.129
	Deferred tax assets	853.723	0
	Total receivables	14.680.548	12.684.129
	Available funds	4.414.996	1.263.670
	Total current assets	**19.095.544**	**13.947.799**
	Total assets	**181.320.282**	**182.462.938**

Statement of financial position 31 December

All amounts in DKK.

Note	Equity and liabilities	2019	2018
	Equity		
5	Contributed capital	1.000.000	1.000.000
6	Reserves for net revaluation as per the equity method	452.495	93.844
7	Retained earnings	7.804.130	3.283.211
	Total equity	**9.256.625**	**4.377.055**
	Liabilities other than provisions		
8	Mortgage debt	50.702.468	58.601.795
	Total long term liabilities other than provisions	50.702.468	58.601.795
	Current portion of long term payables	7.890.000	7.839.000
	Trade payables	97.680	50.000
	Payables to group enterprises	112.167.963	111.105.088
	Corporate tax	955.427	225.254
	Other payables	250.119	264.746
	Total short term liabilities other than provisions	121.361.189	119.484.088
	Total liabilities other than provisions	**172.063.657**	**178.085.883**
	Total equity and liabilities	**181.320.282**	**182.462.938**

9 Mortgage and securities

10 Contingencies

11 Related parties

Notes

All amounts in DKK.

		2019	2018
1.	**Other financial costs**		
	Financial costs, group enterprises	976.620	763.727
	Other financial costs	853.482	946.893
		1.830.102	**1.710.620**

		2019	2018
2.	**Tax on ordinary results**		
	Tax of the results for the year	955.427	225.254
	Adjustment for the year of deferred tax	-309.551	0
		645.876	**225.254**

		2019	2018
3.	**Land and property**		
	Cost 1 January 2019	138.778.590	138.778.590
	Cost 31 December 2019	**138.778.590**	**138.778.590**
	Depreciation and writedown 1 January 2019	-3.807.213	-1.730.551
	Depreciation for the year	-2.076.662	-2.076.662
	Depreciation and writedown 31 December 2019	**-5.883.875**	**-3.807.213**
	Book value 31 December 2019	**132.894.715**	**134.971.377**

4. Equity investments in group enterprises

Group enterprises:

	Domicile	**Share of ownership**
Hallumgade Pig Production ApS	Varde	10 %
Hallumgade Farming ApS	Varde	100 %

Notes

All amounts in DKK.

		31/12 2019	31/12 2018
5.	**Contributed capital**		
	Contributed capital 1 January 2019	1.000.000	1.000.000
		1.000.000	**1.000.000**

The share capital consists of 1.000.000 shares, each with a nominal value of DKK 1. No shares hold particular rights.

		31/12 2019	31/12 2018
6.	**Reserves for net revaluation as per the equity method**		
	Reserves for net revaluation 1 January 2019	93.844	808.796
	Share of results	358.651	-714.952
		452.495	**93.844**
7.	**Retained earnings**		
	Retained earnings 1 January 2019	3.283.211	1.936.309
	Profit or loss for the year brought forward	4.520.919	1.346.902
		7.804.130	**3.283.211**
8.	**Mortgage debt**		
	Mortgage debt in total	58.592.468	66.440.795
	Share of amount due within 1 year	-7.890.000	-7.839.000
		50.702.468	**58.601.795**
	Share of liabilities due after 5 years	18.370.000	26.681.000

9. Mortgage and securities

As security for mortgage debts, tDKK 58.592, mortgage has been granted on land and buildings representing a book value of tDKK 132.895 at 31 December 2019

Notes

All amounts in DKK.

10. Contingencies

Joint taxation

With Wernsing Scandinavia ApS, company reg. no 30507029 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

11. Related parties

Consolidated annual accounts

The consolidated annual accounts for Wernsing Scandinavia ApS can be obtained on https://datacvr.virk.dk/data/. The ultimate parent company in which the company is included as a subsidary, is Wernsing Food Family Group GmbH & Co. KG, Germany. The consolidated annual accounts can be obtained on www.bundesanzeiger.de.