

Terra Estate Danica ApS

Annual report for 2019

CVR no. 38 79 78 83

01.01.2019 - 31.12.2019

Jens Terp-Nielsens Vej 13, 6200 Aabenraa

Adopted at the annual general meeting on 14 February 2020

Annette Hetzenegger

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Terra Estate Danica ApS for the financial year 1 January - 31 December 2019.

The annual report is 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 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Aabenraa, 14 February 2020

Executive board

Bernhard Hubert Hammes

Annette Hetzenegger

Auditor's report on compilation of the financial statements

To the shareholder of Terra Estate Danica ApS

We have compiled the financial statements of Terra Estate Danica ApS for the financial year 1 January - 31 December 2019 based on the company's bookkeeping records and other information made available by enterprise.

The financial statements comprises income statement, balance sheet, notes and summary of significant accounting policies

We performed the engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist the enterprise in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We complied with the relevant provisions of the Danish Act on Approved Auditors and Audit Firms and FSR - Danish Auditors' Code of Ethics for Professional Accountants, including principles relating to integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are the enterprise's responsibility.

As a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by enterprise for our compilation of the financial statements. Accordingly, we do not express an audit or a review conclusion on whether the financial statements have been prepared in accordance with the Danish Financial Statements Act.

Aarhus N, 14 February 2020

Landbosyd Revision
Godkendt revisionsanpartsselskab
CVR no. 32 45 11 95

Jens Faurholt
Registreret revisor
MNE no. mne33755

Company details

The company

Terra Estate Danica ApS
Jens Terp-Nielsens Vej 13
6200 Aabenraa

CVR no.: 38 79 78 83

Reporting period: 1 January - 31 December 2019

Incorporated: 11 July 2017

Domicile: Aabenraa

Executive board

Bernhard Hubert Hammes
Annette Hetzenegger

Auditors

Landbosyd Revision
Godkendt revisionsanpartsselskab
Agro Food Park 13
8200 Aarhus N

Bankers

Danske Bank

Management's review

Business review

The company's activity is leasing of agricultural properties.

Financial review

The company's income statement for the year ended 31 December 2019 shows a profit of DKK 490.793, and the balance sheet at 31 December 2019 shows equity of DKK 823.668.

Accounting policies

The annual report of Terra Estate Danica ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied are consistent with those of last year.

The annual report for 2019 is presented in DKK

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, 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

Development projects, patents and licences

Payment entitlements are recognised at cost and subsequently measured at cost minus accumulated depreciation. Rights are amortised over the estimated economic useful lives of the assets. The depreciation period is 6 years.

Profit or loss on disposal of intangible fixed assets are recognised in the income statement under other operating income or other operating costs.

Accounting policies

Tangible assets

Soil, land and buildings, plant and machinery as well as other fixtures and fittings are measured at cost less accumulated amortisation and impairment losses.

There is not amortised on land plots.

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Where individual parts of an item of property, plant and equipment have different useful lives, the cost is divided into separate parts, which are depreciated separately.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Buildings	10-50 years	0-50 %
Plant, machinery and inventory	5-10 years	0 %

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Accounting policies

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currencies are measured at the exchange rate at the transaction date.

Income statement 1 January 2019 - 31 December 2019

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
Gross profit		2.547.811	1.498.654
Resultat før af- og nedskrivninger		2.547.811	1.498.654
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-769.122	-525.150
Profit/loss before net financials		1.778.689	973.504
Financial costs		-1.233.103	-926.024
Profit/loss before tax		545.586	47.480
Tax on profit/loss for the year		-54.793	115.773
Profit/loss for the year		490.793	163.253
Retained earnings		490.793	163.253
		490.793	163.253

Balance sheet at 31 December 2019

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
Assets			
Acquired patents		1.183.814	581.619
Intangible assets	1	<u>1.183.814</u>	<u>581.619</u>
Land and buildings		106.161.794	56.255.246
Other fixtures and fittings, tools and equipment		894.040	609.954
Tangible assets	2	<u>107.055.834</u>	<u>56.865.200</u>
Total non-current assets		<u>108.239.648</u>	<u>57.446.819</u>
Trade receivables		251.331	105.225
Other receivables		0	98.433
Deferred tax asset		149.332	115.773
Corporation tax		1.648	90.000
Prepayments		0	34.659
Receivables		<u>402.311</u>	<u>444.090</u>
Cash at bank and in hand		<u>2.300.462</u>	<u>7.409.131</u>
Total current assets		<u>2.702.773</u>	<u>7.853.221</u>
Total assets		<u>110.942.421</u>	<u>65.300.040</u>

Balance sheet at 31 December 2019

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
Equity and liabilities			
Share capital		750.000	750.000
Retained earnings		<u>73.668</u>	<u>-417.125</u>
Equity	3	<u>823.668</u>	<u>332.875</u>
Payables to subsidiaries		<u>109.660.844</u>	<u>64.777.799</u>
Total non-current liabilities	4	<u>109.660.844</u>	<u>64.777.799</u>
Trade payables		318.618	4.186
Other payables		<u>139.291</u>	<u>185.180</u>
Total current liabilities		<u>457.909</u>	<u>189.366</u>
Total liabilities		<u>110.118.753</u>	<u>64.967.165</u>
Total equity and liabilities		<u>110.942.421</u>	<u>65.300.040</u>
Contingent liabilities	5		
Mortgages and collateral	6		

Notes

1 Intangible assets

	Acquired patents
Cost at 1 January 2019	715.366
Additions for the year	<u>768.364</u>
Cost at 31 December 2019	<u>1.483.730</u>
Impairment losses and amortisation at 1 January 2019	133.747
Amortisation for the year	<u>166.169</u>
Impairment losses and amortisation at 31 December 2019	<u>299.916</u>
Carrying amount at 31 December 2019	<u><u>1.183.814</u></u>

2 Tangible assets

	Land and buildings	Other fixtures and fittings, tools and equipment
Cost at 1 January 2019	56.672.141	704.684
Additions for the year	51.121.484	374.017
Disposals for the year	<u>-701.915</u>	<u>0</u>
Cost at 31 December 2019	<u>107.091.710</u>	<u>1.078.701</u>
Impairment losses and depreciation at 1 January 2019	416.895	94.730
Depreciation for the year	<u>513.021</u>	<u>89.931</u>
Impairment losses and depreciation at 31 December 2019	<u>929.916</u>	<u>184.661</u>
Carrying amount at 31 December 2019	<u><u>106.161.794</u></u>	<u><u>894.040</u></u>

Notes

3 Equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2019	750.000	-417.125	332.875
Net profit/loss for the year	0	490.793	490.793
Equity at 31 December 2019	<u>750.000</u>	<u>73.668</u>	<u>823.668</u>

4 Long term debt

	<u>2019</u>	<u>2018</u>
	<small>DKK</small>	<small>DKK</small>
Payables to subsidiaries		
Between 1 and 5 years	<u>109.660.844</u>	<u>64.777.799</u>
Non-current portion	109.660.844	64.777.799
Within 1 year	<u>0</u>	<u>0</u>
Current portion	<u>0</u>	<u>0</u>
	<u>109.660.844</u>	<u>64.777.799</u>

5 Contingent liabilities

The company has no contingent liabilities.

6 Mortgages and collateral

The company has no mortgages and collateral