

# **Terra Estate Danica ApS**

## **Annual report for 2023**

**CVR no. 38 79 78 83**

**01.01.2023 - 31.12.2023**

**Jens Terp-Nielsens Vej 13, 6200 Aabenraa**

Adopted at the annual general meeting on 24 May 2024

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chairman Bernhard Hubert Hammes

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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 2023.

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 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

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, 24 May 2024

### **Executive board**

Bernhard Hubert Hammes  
Director

Maximilian Andreas Draxler  
Director

Amelie Mrongowius  
Director

## **Independent auditor's report on extended review**

### ***To the shareholder of Terra Estate Danica ApS***

#### **Opinion**

We have performed extended review of the financial statements of Terra Estate Danica ApS for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared under the Danish Financial Statements Act.

Based on the performed work it is our opinion, that the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

#### **Basis for Opinion**

We conducted our extended review in accordance with the Danish Business Authority's standard on auditor's report for small enterprises and FSR - danish auditors' standard on extended review of financial statements in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section of our report. We are independent of the company 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 requirements and IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Highlighting Aspects Regarding the Extended Review**

The company has been subject to audit obligation for the current fiscal year, and it has been decided to perform an extended review of the annual report in this regard. We would like to highlight that no extended review or audit has been conducted on the comparative figures in the annual report.

#### **Management's responsibilities 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 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 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 company or to cease operations, or has no realistic alternative but to do so.

## **Independent auditor's report on extended review**

### **Auditor's responsibility for the extended review of the financial statements**

Our responsibility is to express a conclusion on the accompanying financial statements. This requires us to perform procedures in order to obtain limited assurance for our conclusion on these financial statements, and in addition perform specifically required supplementary procedures in order to obtain additional assurance for our conclusion.

An extended review of financial statements includes procedures primarily consisting of making inquiries of management and others within the entity, as appropriate, applying analytical procedures and the specifically required supplementary procedures, and evaluating the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit and accordingly we do not express an audit opinion on these financial statements.

### **Statement on management's review**

Management is responsible for management's review.

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

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

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

Based on the work we have performed, we conclude that 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 management's review.

Aarhus N, 24 May 2024

Spiras Revision  
Godkendt revisionsanpartsselskab  
CVR no. 32 45 11 95

Jens Faurholt  
Registreret revisor  
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 2023

Incorporated: 11 July 2017

Domicile: Aabenraa

### Executive board

Bernhard Hubert Hammes, director  
Maximilian Andreas Draxler, director  
Amelie Mrongowius, director

### Auditors

Spiras 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 2023 shows a profit of DKK 6.496.495, and the balance sheet at 31 December 2023 shows equity of DKK 6.860.121.

## **Accounting Policies**

The annual report of Terra Estate Danica ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities.

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

The annual report for 2023 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.

#### **Revenue**

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

#### **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 that relate 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, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment 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.



# Accounting Policies

## 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.

### Tangible assets

Soil, land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation 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 components of an item of property, plant and equipment have different useful lives, and the individual component is a significant part of the total cost, the cost is divided into separate components, which are depreciated separately.

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

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

Gains and losses on the sale of items of property, plant and equipment are calculated as the difference between the selling price, less costs to sell, and the carrying amount at the time of sale. Gains or losses on the sale of items of property, plant and equipment are recognised in the income statement under other operating income or other operating expenses, respectively.

### Receivables

Receivables are measured at amortised cost.

## **Accounting Policies**

### **Prepayments**

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

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash and deposits at banks.

### **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.

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 is 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.

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.

#### **Liabilities**

Mortgage debt is thus measured at amortised cost, which for cash loans corresponds to the outstanding debt. For bond loans, amortised cost corresponds to an outstanding debt calculated as the underlying cash value of the loan at the time of borrowing, adjusted by amortisation of the value adjustment of the loan at the time of borrowing.

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

## **Accounting Policies**

### **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 instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under '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 translated at the exchange rate at the transaction date.

## Income statement 1 January 2023 - 31 December 2023

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
<b>Gross profit</b>		<b>21.056.973</b>	<b>8.063.484</b>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-1.502.108</u>	<u>-2.828.239</u>
<b>Profit/loss before net financials</b>		<b>19.554.865</b>	<b>5.235.245</b>
Financial costs		<u>-11.226.284</u>	<u>-5.588.418</u>
<b>Profit/loss before tax</b>		<b>8.328.581</b>	<b>-353.173</b>
Tax on profit/loss for the year	1	<u>-1.832.086</u>	<u>74.098</u>
<b>Profit/loss for the year</b>		<b><u>6.496.495</u></b>	<b><u>-279.075</u></b>
Retained earnings		<u>6.496.495</u>	<u>-279.075</u>
		<b><u>6.496.495</u></b>	<b><u>-279.075</u></b>

## Balance sheet at 31 December 2023

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
<b>Assets</b>			
Acquired patents		<u>2.237.011</u>	<u>2.237.011</u>
<b>Intangible assets</b>	<b>2</b>	<b><u>2.237.011</u></b>	<b><u>2.237.011</u></b>
Land and buildings	3	253.734.501	231.449.086
Other fixtures and fittings, tools and equipment	3	<u>1.099.668</u>	<u>1.169.585</u>
<b>Tangible assets</b>		<b><u>254.834.169</u></b>	<b><u>232.618.671</u></b>
<b>Total non-current assets</b>		<b><u>257.071.180</u></b>	<b><u>234.855.682</u></b>
Trade receivables		0	98.274
Other receivables		38.965	109.375
Corporation tax		74.000	278.000
Prepayments		<u>302.337</u>	<u>0</u>
<b>Receivables</b>		<b><u>415.302</u></b>	<b><u>485.649</u></b>
<b>Cash at bank and in hand</b>		<b><u>7.420.769</u></b>	<b><u>2.293.841</u></b>
<b>Total current assets</b>		<b><u>7.836.071</u></b>	<b><u>2.779.490</u></b>
<b>Total assets</b>		<b><u><u>264.907.251</u></u></b>	<b><u><u>237.635.172</u></u></b>

## Balance sheet at 31 December 2023

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
<b>Equity and liabilities</b>			
Share capital		750.000	750.000
Retained earnings		<u>6.110.121</u>	<u>-386.374</u>
<b>Equity</b>	<b>4</b>	<b><u>6.860.121</u></b>	<b><u>363.626</u></b>
Provision for deferred tax		<u>434.951</u>	<u>18.521</u>
<b>Total provisions</b>		<b><u>434.951</u></b>	<b><u>18.521</u></b>
Mortgage loans		89.282.064	89.282.064
Payables to subsidiaries		<u>164.714.989</u>	<u>146.144.024</u>
<b>Total non-current liabilities</b>	<b>5</b>	<b><u>253.997.053</u></b>	<b><u>235.426.088</u></b>
Trade payables		171.371	10.696
Corporation tax		1.415.656	0
Other payables		579.521	519.357
Deposits		<u>1.448.578</u>	<u>1.296.884</u>
<b>Total current liabilities</b>		<b><u>3.615.126</u></b>	<b><u>1.826.937</u></b>
<b>Total liabilities</b>		<b><u>257.612.179</u></b>	<b><u>237.253.025</u></b>
<b>Total equity and liabilities</b>		<b><u>264.907.251</u></b>	<b><u>237.635.172</u></b>

## Notes

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>1 Tax on profit/loss for the year</b>		
Current tax for the year	1.415.656	0
Deferred tax for the year	<u>416.430</u>	<u>-74.098</u>
<b>Total</b>	<b><u>1.832.086</u></b>	<b><u>-74.098</u></b>

## 2 Intangible assets

	<u>Acquired patents</u>
Cost at 1 January 2023	<u>2.237.011</u>
Cost at 31 December 2023	<u>2.237.011</u>
<b>Carrying amount at 31 December 2023</b>	<b><u>2.237.011</u></b>

## Notes

### 3 Tangible assets

	Land and buildings	Other fixtures and fittings, tools and equipment
	<u>                    </u>	<u>                    </u>
Cost at 1 January 2023	235.591.490	1.700.583
Additions for the year	32.294.020	68.242
Disposals for the year	-8.644.656	0
Cost at 31 December 2023	<u>259.240.854</u>	<u>1.768.825</u>
Impairment losses and depreciation at 1 January 2023	4.142.404	530.998
Depreciation for the year	1.363.949	138.159
Impairment losses and depreciation at 31 December 2023	<u>5.506.353</u>	<u>669.157</u>
<b>Carrying amount at 31 December 2023</b>	<b><u><u>253.734.501</u></u></b>	<b><u><u>1.099.668</u></u></b>



## Notes

### 4 Equity

	Share capital	Retained earnings	Total
Equity at 1 January 2023	750.000	-386.374	363.626
Net profit/loss for the year	0	6.496.495	6.496.495
<b>Equity at 31 December 2023</b>	<b>750.000</b>	<b>6.110.121</b>	<b>6.860.121</b>

### 5 Long term debt

	2023 DKK	2022 DKK
<b>Mortgage loans</b>		
Between 1 and 5 years	89.282.064	89.282.064
Non-current portion	89.282.064	89.282.064
Within 1 year	0	0
	<b>89.282.064</b>	<b>89.282.064</b>
<b>Payables to subsidiaries</b>		
Between 1 and 5 years	164.714.989	146.144.024
Non-current portion	164.714.989	146.144.024
Within 1 year	0	0
Current portion	0	0
	<b>164.714.989</b>	<b>146.144.024</b>

### 6 Contingent liabilities

The company has no contingent liabilities.

### 7 Mortgages and collateral

Land and buildings at Vester Bjerndrupvej 1, Dalshøjvej 2A, Fæsteholt 10, Tolvalenvej 26, Tørskindvej 999, Gammelagervej 3, Gammelagervej 5B, Grønnevej 2, Kjeldbjergvej 7 and Esbjergvej at a carrying amount of DKK 131.559 thousand at 31 December 2023 have been provided as security for mortgage debt totalling DKK 89.282 thousand.