

Bøgeskovgaard ApS

Ravnholtgyden 5
6600 Vejen

CVR No. 39228408

Annual Report 2019

2. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 15 May 2020

Jens Ohnemus
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of Bøgeskovgaard ApS for the financial year 1 January 2019 - 31 December 2019.

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 2019 and of the results of the Company's operations for the financial year 1 January 2019 - 31 December 2019.

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, 10 March 2020

Executive Board

Hans Thor Jensen
Director

Supervisory Board

Jens Ohnemus
Chairman

Hans Thor Jensen
Director

Maria Steiner Carlsson
Non executive director

Independent Auditors' Report

To the shareholders of Bøgeskovgaard ApS

Opinion

We have audited the financial statements of Bøgeskovgaard ApS for the financial year 1 January 2019 - 31 December 2019, which comprise an income statement, balance sheet, statement of changes in equity 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 2019 and of the results of its operations for the financial year 1 January 2019 - 31 December 2019 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:

Independent Auditors' Report

- *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 Auditors' Report

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, 10 March 2020

ENGELSTED PETERSEN
Statsaut. revisionsanpartsselskab
CVR-no. 20658231

Lars Engelsted Petersen
State Authorised Public Accountant
mne11683

Company details

Company	Bøgeskovgaard ApS Ravnholtgyden 5 6600 Vejen
CVR No.	39228408
Date of formation	9 January 2018
Registered office	Vejen
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 Bøgeskovgaard ApS for 2019 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, change in inventories, 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 before year-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 debtors, operating leasing costs etc.

Staff expenses

Staff expenses comprise wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement, pensions and social security costs.

Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Properties	50 years	20%
Other fixtures and fittings, tools and equipment	3-10 years	20%

Payment entitlements and land are not amortised.

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

Accounting Policies

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 of finance 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).

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 revaluated every year at fair value based on an external assessment. Revaluations and reversals of these less deferred tax are recognised directly in equity.

Tangible assets

Tangible assets are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the date of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual components differ.

Accounting Policies

Land and buildings are revaluated every year at fair value based on an external assessment. Revaluations and reversals of these less deferred tax are recognised directly in equity.

Other investments

Investments in unlisted companies are recognised in the balance sheet at cost. The cost includes the purchase consideration calculated at fair value plus direct acquisition costs. Where the net realisable value is lower than cost, the investments are written down to this lower value. Realised and unrealised capital gains and losses are recognised in the income statement.

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.

Accounting Policies

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	2019 EUR	2018 EUR
Gross profit		432.364	240.530
Employee benefits expense	1	-294.180	-220.192
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-121.120	-43.268
Profit from ordinary operating activities		17.064	-22.930
Finance income		889	0
Other finance expenses		-94.147	-64.810
Profit from ordinary activities before tax		-76.194	-87.740
Tax expense on ordinary activities		16.899	19.303
Profit		-59.295	-68.437
Proposed distribution of results			
Retained earnings		-59.295	-68.437
Distribution of profit		-59.295	-68.437

Balance Sheet as of 31 December

	Note	2019 EUR	2018 EUR
Assets			
Payment entitlements	2	46.870	40.378
Intangible assets		46.870	40.378
Land and buildings	3	4.522.954	4.212.487
Fixtures, fittings, tools and equipment	4	512.428	463.915
Property, plant and equipment		5.035.382	4.676.402
Other long-term investments	5	4.089	3.941
Investments		4.089	3.941
Fixed assets		5.086.341	4.720.721
Raw materials and consumables		269.214	216.276
Livestock		473.666	474.737
Inventories		742.880	691.013
Short-term trade receivables		99.026	134.335
Current deferred tax		0	19.303
Other receivables		2.704	71.968
Short-term tax receivables		59	0
Deferred income assets		4.004	0
Receivables		105.793	225.606
Cash and cash equivalents		38.169	11.724
Current assets		886.842	928.343
Assets		5.973.183	5.649.064

Balance Sheet as of 31 December

	Note	2019 EUR	2018 EUR
Liabilities and equity			
Contributed capital		6.696	6.696
Reserve for net revaluation of investment assets		289.660	0
Retained earnings		-127.732	-68.437
Equity		168.624	-61.741
Provisions for deferred tax		45.497	0
Provisions		45.497	0
Mortgage debt		2.852.238	2.884.284
Long-term liabilities other than provisions	6	2.852.238	2.884.284
Short-term part of long-term liabilities other than provisions		44.301	40.785
Trade payables		59.713	112.551
Payables to group enterprises		2.778.746	2.664.953
Other payables		24.064	8.232
Short-term liabilities other than provisions		2.906.824	2.826.521
Liabilities other than provisions within the business		5.759.062	5.710.805
Liabilities and equity		5.973.183	5.649.064
Contingent liabilities	7		
Collaterals and assets pledges as security	8		

Statement of changes in Equity

	Contributed	Revaluation	Retained	
	capital	reserve	earnings	Total
Equity 1 January 2019	6.696	0	-68.437	-61.741
Profit (loss)	0	0	-59.295	-59.295
Revaluations	0	289.660	0	289.660
Equity 31 December 2019	6.696	289.660	-127.732	168.624

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

Notes

	2019	2018
	EUR	EUR
1. Employee benefits expense		
Wages and salaries	258.933	169.095
Post-employment benefit expense	2.424	298
Social security contributions	6.836	2.923
Other employee expense	25.987	47.876
	294.180	220.192
Average number of employees	<u>6</u>	<u>4</u>
2. Payment entitlements		
Cost at the beginning of the year	40.378	0
Addition during the year, incl. improvements	0	40.378
Cost at the end of the year	40.378	40.378
Revaluations at the end of the year	6.492	0
Revaluations at the end of the year	6.492	0
Carrying amount at the end of the year	46.870	40.378
3. Land and buildings		
Cost at the beginning of the year	4.226.850	0
Addition during the year, incl. improvements	6.727	4.226.850
Cost at the end of the year	4.233.577	4.226.850
Revaluations for the year	364.867	0
Revaluations at the end of the year	364.867	0
Depreciation and amortisation at the beginning of the year	-14.363	0
Amortisation for the year	-61.127	-14.363
Impairment losses and amortisation at the end of the year	-75.490	-14.363
Carrying amount at the end of the year	4.522.954	4.212.487

Notes

	2019	2018	
	EUR	EUR	
4. Fixtures, fittings, tools and equipment			
Cost at the beginning of the year	492.820	0	
Addition during the year, incl. improvements	115.092	492.820	
Disposal during the year	-6.866	0	
Cost at the end of the year	601.046	492.820	
Depreciation and amortisation at the beginning of the year	-28.905	0	
Amortisation for the year	-59.713	-28.905	
Impairment losses and amortisation at the end of the year	-88.618	-28.905	
Carrying amount at the end of the year	512.428	463.915	
5. Other long-term investments			
Cost at the beginning of the year	3.941	0	
Addition during the year, incl. improvements	148	3.941	
Cost at the end of the year	4.089	3.941	
Carrying amount at the end of the year	4.089	3.941	
6. Long-term liabilities			
	Due	Due	Due
	after 1 year	within 1 year	after 5 years
	EUR	EUR	EUR
Mortgage debt	2.852.238	44.301	2.669.828
	2.852.238	44.301	2.669.828

7. 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.

8. Collaterals and securities

As security for mortgage debt the company has granted a pledge on land and buildings on EUR 3.111.432.