




Dansk Demetra ApS
Amalievej 20
1875 Frederiksberg C
Business Registration No
39580799

Annual report 2019

Penneo dokumentnøgle: 078HU-NLMGE-HB8A4-CXLK0-QJ6A-24VX1

The Annual General Meeting adopted the annual report on 13 May 2020

Chairman of the General Meeting


Name: **SØREN DAMGAARD**
PARTNER
BRUUN & HJELJE
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Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	5
Income statement for 2019	6
Balance sheet at 31.12.2019	7
Statement of changes in equity for 2019	9
Notes	10
Accounting policies	12

Entity details

Entity

Dansk Demetra ApS
Amalievej 20
1875 Frederiksberg C

Central Business Registration No (CVR): 39580799

Founded: 15.05.2018

Registered in: Frederiksberg

Financial year: 01.01.2019 - 31.12.2019

E-mail: Demetra@iwc.dk

Executive Board

Jesper Brunhøj Jensen
Dennis Lanther
Celine Emilie Gaelle Claudon

Auditors

KPMG Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of Dansk Demetra ApS for the financial year 01.01.2019 - 31.12.2019.

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 Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Frederiksberg, 05.05.2020

Executive Board

Jesper Brunhøj Jensen

Dennis Lanther

Celine Emilie Gaelle Claudon

Independent auditor's report

To the shareholders of Dansk Demetra ApS

Opinion

We have audited the financial statements of Danske Demetra ApS for the financial year 1 January – 31 December 2019, comprising income statement, balance sheet, statement of changes in equity, notes and accounting policies. 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 assets, liabilities and 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 accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 that 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.

Auditor's responsibilities for the audit of the financial statements

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

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

- identify and assess the risks of material misstatement of the company 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 one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the 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 the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material

Independent auditor's report

uncertainty exists related to events or conditions that may 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 auditor's 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 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 financial statements, including the disclosures, and whether the financial statements represent 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 that we identify during our audit.

Statement on the management commentary

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 assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility 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 our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, 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 conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

København, 05.05.2020

KPMG

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 25588198

Michael Tuborg

State Authorised Public Accountant

Identification No (MNE) mne24621

Management commentary

Primary activities

The objectives of the company are to invest in farmland properties in Denmark and any other business activities related hereto.

Development in activities and finances

The income statement for 2019 shows an income after tax of DKK 2.497.052. Equity at year-end 2019 is DKK 296.271.917.

Outlook and other forward-looking statements

The company will focus on buying Danish farmland and lease it to skilled tenants.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

The outbreak and spread COVID-19 at the beginning of 2020 has not and is not expected to have a significant impact on the company's financial position and development

Income statement for 2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Revenue		5.089.528	267.549
Other operating income		58.367	0
Other external expenses	1	<u>(1.713.052)</u>	<u>(498.293)</u>
Gross profit/loss		3.434.843	(230.744)
Depreciation, amortisation and impairment losses		<u>(171.312)</u>	<u>(28.539)</u>
Operating profit/loss		3.263.531	(259.283)
Other financial expenses		<u>(12.328)</u>	<u>(10.820)</u>
Profit/loss before tax		3.251.203	(270.103)
Tax on profit/loss for the year	3	<u>(754.151)</u>	<u>(12.532)</u>
Profit/loss for the year		2.497.052	(282.635)
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		8.500.000	0
Retained earnings		<u>(6.002.948)</u>	<u>(282.635)</u>
		2.497.052	(282.635)

Balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Land and buildings		292.202.441	69.086.281
Property, plant and equipment	4	292.202.441	69.086.281
Deferred tax		30.683	6.279
Fixed asset investments		30.683	6.279
Fixed assets		292.233.124	69.092.560
Trade receivables		1.964.639	262.349
Other receivables		240.278	164.986
Prepayments		14.150	13.705
Receivables		2.219.067	441.040
Cash		3.897.949	1.045.678
Current assets		6.117.016	1.486.718
Assets		298.350.140	70.579.278

Balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
Contributed capital		50.000	50.000
Retained earnings		287.721.917	69.723.865
Proposed dividend		8.500.000	0
Equity		<u>296.271.917</u>	<u>69.773.865</u>
Other payables		2.078.223	805.413
Current liabilities other than provisions		<u>2.078.223</u>	<u>805.413</u>
Liabilities other than provisions		<u>2.078.223</u>	<u>805.413</u>
Equity and liabilities		<u>298.350.140</u>	<u>70.579.278</u>

Staff costs

2

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	50.000	69.723.865	0	69.773.865
Increase of capital	0	224.001.000	0	224.001.000
Profit/loss for the year	0	(6.002.948)	8.500.000	2.497.052
Equity end of year	50.000	287.721.917	8.500.000	296.271.917

The capital increase is a contribution without an increase of capital.

Notes

1. Other external expenses

In 2019, the company has changed its accounting policy related to the classification of transaction costs in connection with property purchases.

In the annual report for 2018, these costs were expensed in the income statement.

In the annual report for 2019, transaction costs are now capitalized as part of the item "Property, plant and equipment" in the balance sheet.

This change has been corrected retrospectively, so that comparative figures for 2018 in the 2019 annual report, including notes, have been adjusted accordingly. The impact of this change for the year 2018 are 680.000 DKK on the following items:

Comparative figures for 2018	Before change	After change
- Other external expenses	(1.178.293)	(498.293)
- Profit / (loss) for the year	(962.635)	(282.635)
- Property, plant and equipment	68.406.281	69.086.281
- Equity	69.093.865	69.773.865

These changes also apply to note 4.

The change in the accounting policy does not affect neither the calculation of current tax, nor the calculation of deferred tax for the year 2018 and 2019.

Besides, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

2. Staff costs

Average number of employees

2019	2018
0	0

3. Tax on profit/loss for the year

Current tax

Change in deferred tax

2019 DKK	2018 DKK
778.555	18.811
(24.404)	(6.279)
754.151	12.532

Notes

4. Property, plant and equipment

	Land	Buildings	Total
	DKK	DKK	DKK
Cost beginning of year	62.549.820	6.565.000	69.114.820
Additions	222.099.105	2.825.000	224.924.105
Return of cost, sale	(511.633)	(1.125.000)	(1.636.633)
Cost end of year	284.137.292	8.265.000	292.402.292
Depreciation beginning of the year	0	(28.539)	(28.539)
Depreciation for the year	0	(171.312)	(171.312)
Depreciation and impairment losses end of year	0	(199.851)	(199.851)
Carry amount end of year	284.137.292	8.065.149	292.202.441

Cost beginning of year have been adjusted in accordance with note 1.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

Change in accounting policies

In 2019, the company has changed its accounting policy related to the classification of transaction costs in connection with property purchases.

In the annual report for 2018, these costs were expensed in the income statement.

In the annual report for 2019, transaction costs are now capitalized as part of the item "Property, plant and equipment" in the balance sheet.

The change in the accounting policy does not affect neither the calculation of current tax, nor the calculation of deferred tax for the year 2018 and 2019.

Besides, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

Income statement

Revenue

Revenue consists of rental income from land and buildings.

Other operating income

Other operating income comprises income from sales of land and buildings.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, management fees, legal costs, and due diligence costs, etc. This item also includes writedowns of receivables recognised in current assets.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial expenses

Other financial expenses comprise interest expenses.

Accounting policies

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition, including all transaction costs and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	15- 50 years
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Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year

Accounting policies

is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other financial liabilities

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

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Dennis Lanther

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