

Møllegaard ApS

Ravnholtgyden 5
6600 Vejen

CVR No. 40880852

Annual Report 2019

1. financial year

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

Jens Ohnemus
Chairman

Contents

Management's Statement	3
Independent Auditors' Report	4
Company Information	7
Management's Review	8
Accounting Policies	9
Income Statement	13
Balance Sheet	14
Statement of changes in Equity	16
Notes	17

Management's Statement

Today, Management has considered and adopted the Annual Report of Møllegaard ApS for the financial year 23 October 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 23 October 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 be adopted at the Annual General Meeting.

Vejen, 14 February 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 Møllegaard ApS

Opinion

We have audited the financial statements of Møllegaard ApS for the financial year 23 October 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 23 October 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.

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

Independent Auditors' Report

Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Næstved, 14 February 2020

ENGELSTED PETERSEN
Statsaut. revisionsanpartsselskab
CVR-no. 20658231

Lars Engelsted Petersen
State Authorised Public Accountant
mne11683

Company details

Company

Møllegaard ApS
Ravnholtgyden 5
6600 Vejen

CVR No.

40880852

Date of formation

23 October 2019

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 Møllegaard 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 adoption of individual rules from class C.

As the financial year 2019 is the Company's first financial year, the Financial Statements with associated notes have been prepared without comparative figures from the previous 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 and other external expenses.

Revenue

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.

Fair value adjustment of investment assets and debts

Adjustments of investment assets and debts measured at fair value are recognised as a separate item in the Income Statement.

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).

Accounting Policies

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 measured at fair value by adjusting the carrying amount through upwards or downwards adjustments in the Income Statement.

Tangible assets

Tangible assets are recognised at the date of acquisition at cost plus costs directly attributable to the acquisition. Subsequently, tangible assets are measured at fair value by adjusting the carrying amount through upwards or downwards adjustments 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
Gross profit		232
Employee benefits expense	1	0
Gains from current value adjustments of investment assets		292.395
Profit from ordinary operating activities		292.627
Other finance expenses		-1.575
Profit from ordinary activities before tax		291.052
Tax expense on ordinary activities		-64.032
Profit		227.020
 Proposed distribution of results		
Retained earnings		227.020
Distribution of profit		227.020

Balance Sheet as of 31 December

	Note	2019 EUR
Assets		
Payment entitlements	2	13.388
Intangible assets		<u>13.388</u>
Land and buildings	3	2.021.501
Fixtures, fittings, tools and equipment	4	66.937
Property, plant and equipment		<u>2.088.438</u>
Fixed assets		<u>2.101.826</u>
Raw materials and consumables		3.347
Inventories		<u>3.347</u>
Short-term trade receivables		2.839
Other receivables		1.737
Receivables		<u>4.576</u>
Cash and cash equivalents		<u>112.179</u>
Current assets		<u>120.102</u>
Assets		<u>2.221.928</u>

Balance Sheet as of 31 December

	Note	2019 EUR
Liabilities and equity		
Contributed capital		6.694
Retained earnings		227.020
Equity		233.714
Provisions for deferred tax		64.032
Provisions		64.032
Mortgage debt		849.491
Long-term liabilities other than provisions	5	849.491
Debt to banks		332
Trade payables		3.366
Payables to group enterprises		1.070.993
Short-term liabilities other than provisions		1.074.691
Liabilities other than provisions within the business		1.924.182
Liabilities and equity		2.221.928
Contingent liabilities	6	
Collaterals and assets pledges as security	7	

Statement of changes in Equity

	Contributed	Retained	
	capital	earnings	Total
Equity 23 October 2019	6.694	0	6.694
Profit (loss)	0	227.020	227.020
Equity 31 December 2019	6.694	227.020	233.714

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

Notes

2019

1. Employee benefits expense

Average number of employees

0

2. Payment entitlements

Addition during the year, incl. improvements

24.386

Cost at the end of the year

24.386

Adjustments for the year

-10.998

Fair value adjustments at the end of the year

-10.998

Carrying amount at the end of the year

13.388

3. Land and buildings

Addition during the year, incl. improvements

1.718.108

Cost at the end of the year

1.718.108

Adjustments for the year

303.393

Fair value adjustments at the end of the year

303.393

Carrying amount at the end of the year

2.021.501

4. Fixtures, fittings, tools and equipment

Addition during the year, incl. improvements

66.937

Cost at the end of the year

66.937

Carrying amount at the end of the year

66.937

5. Long-term liabilities

	Due after 1 year	Due within 1 year	Due after 5 years
Mortgage debt	849.491	0	849.491
	<u>849.491</u>	<u>0</u>	<u>849.491</u>

Notes

6. 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.

7. Collaterals and securities

As security for mortgage debt and debt to banks the company has granted a pledge on land and buildings on EUR 893.075.