



DLF Seeds A/S

CVR No. 62556013

(the "**Issuer**" or "**DLF**")

Company Description

Dated 22 November 2018

Admission to trading on Nasdaq First North Bond Market Copenhagen

Issue of EUR 90,000,000

Callable Subordinated Capital Securities

due 3018

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This Company Description (as defined below) has been prepared by the Issuer for the admission to trading on Nasdaq First North Bond Market of the Securities (as defined below).

This Company Description has been prepared on the basis that any offer of Securities in any member state of the European Economic Area which has implemented the Prospectus Directive (as defined below) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State (as defined below), from the requirement to publish a prospectus for offerings of Securities. Accordingly, any person making or intending to make an offer in a Relevant Member State of the Securities may only do so in circumstances in which no obligation arises for the Issuer or any of the Joint Bookrunners (as defined below) to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Joint Bookrunner have authorized, nor do they authorize, the making of any offer of the Securities in circumstances in which an obligation arises for the Issuer or any Joint Bookrunner to publish or supplement a prospectus for such offer.

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Neither the delivery of this Company Description nor the offering or sale of the Securities, shall in any circumstances, create any implication that the information contained in this Company Description is true subsequent to the date hereof, or that there has been no adverse change, or any event reasonably likely to involve any adverse change in the prospects or financial or trading position of the Issuer since the date thereof.

The distribution of this Company Description and the offering or sale of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Company Description comes are required by the Issuer and the Joint Bookrunners to inform themselves about and to observe any such restriction.

The Securities have not been and will not be registered under the U.S. Securities Act (as defined below) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the U.S. Securities Act.

MIFID II product governance / Retail investors, professional investors and eligible counterparties target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate and (iii) the following channels for distribution of the Securities to retail clients are appropriate - investment advice, portfolio management, and non-advised sales or execution with appropriateness test, subject to the distributor's (as defined below) suitability and appropriateness obligations under MiFID II, as applicable. The target market assessment indicates that Securities are incompatible with the needs, characteristic and objectives of clients which are fully risk averse or are seeking on-demand full re-payment of the amounts invested. Any person

subsequently offering, selling or recommending the Securities (a “distributor”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable.

The Issuer accepts responsibility for the information contained in this Company Description and declares that, having taken all reasonable care to ensure that such is the case the information contained in this Company Description is to the best of the Issuer's knowledge in accordance with the facts and contains no omission likely to affect its import.

This Company Description does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Joint Bookrunners or any of them to subscribe for or purchase, any Securities.

When investing in the Securities, Securityholders (as defined below) accept to be bound by the terms of the Terms and Conditions (as defined below).

DISCLAIMER FORWARD-LOOKING STATEMENTS

If not otherwise indicated, the Issuer is the source of information in this Company Description. Information which has been sourced from a third party has been accurately reproduced. As far as the Issuer is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Company Description is based on sources such as annual reports and publicly available information and forward-looking information based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for the Issuer's lines of business.

Any statement in this Company Description that is not a historical fact is a forward-looking statement. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific. Such statements are not historical facts and may include opinions and expectations about management's confidence and strategies as well as details of management's expectations of new and existing programs, technology and market conditions. These forward-looking statements rely on assumptions concerning future events that are subject to a number of risks and uncertainties, many of which are outside the Issuer's control, and which could cause the Issuer Group's actual results to be materially different from these forward-looking statements. While the Issuer believes that its assumptions concerning future events are reasonable, there are inherent difficulties in predicting certain important factors that could impact the future performance or results of the Issuer's business. The Issuer expressly disclaims any intention or obligation to revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise. The Issuer's actual results could differ materially from those indicated in these forward-looking statements as a result of certain factors, including but not limited to the risks listed in the section "Risk Factors" in this Company Description as well as those included elsewhere in this Company Description, and you should carefully consider the foregoing factors and other uncertainties and events. Additionally, the Issuer makes no representations or warranties as to the suitability of the information for your purposes. You are reminded that all forward-looking statements in this Company Description are made as of the date hereof.

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1. DEFINITIONS

Terms defined in the Terms and Conditions of the Securities have the same meaning when used elsewhere in this Company Description.

In addition to the terms defined in Terms and Conditions, the following terms shall have the following meaning when used in this Company Description.

"**Board of Directors**" means the board of directors of the Issuer.

"**Certified Adviser**" means each of the Joint Bookrunners.

"**CIS**" means Commonwealth of Independent States consisting of Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Armenia, Moldova, Russia, Tajikistan and Uzbekistan.

"**Company Description**" means this company description of the Issuer dated 22 November 2018.

"**Danish Capital Markets Act**" means the Danish Consolidated Act No. 12 of 8 January 2018, as amended, on Capital Markets (in Danish: *lov om kapitalmarkeder*).

"**Danish Companies Act**" means the Danish Consolidated Act No. 1089 of 14 September 2015, as amended, on Public and Private Limited Companies (in Danish: *lov om aktie- og anpartsselskaber*).

"**Danish Financial Statements Act**" means the Danish Consolidated Act No. 1580 of 10 December 2015, as amended (in Danish: *Årsregnskabsloven*).

"**EUR**" means Euro.

"**Executive Board**" means the executive board of the Issuer.

"**Issuer**" and "**DLF**" means DLF Seeds A/S, a company incorporated in Denmark with company registration no. (CVR) 62556013 and registered address at Ny Østergade 9, 4000 Roskilde, Denmark

"**Issuer Group**" means the Issuer with all its subsidiaries from time to time.

"**Joint Bookrunners**" means Danske Bank A/S and Nordea Bank Abp.

"**Parent**" means DLF AmbA, a Danish agricultural cooperative limited company incorporated as an AmbA (*Danish: Andelsselskab med begrænset Ansvar*), regulated by the Danish Companies Act with registration no. (CVR-no) 69459218. The Parent's court of domicile is the City Court of Roskilde (Danish: Retten i Roskilde).

"**PGW Seeds**" means PGG Wrightson Seeds Holdings Limited (company number 3711615) is a New Zealand incorporated company having its registered office at 57 Waterloo Road, Hornby, Christchurch, 8042, New Zealand.

"**Prospectus Directive**" means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as amended by Directive 2010/73/EU.

"**Relevant Member State**" means a member state of the European Economic Area that has implemented the Prospectus Directive.

"**Securities**" has the meaning set forth in the Terms and Conditions.

"**Securityholders**" has the meaning set forth in the Terms and Conditions.

"**Terms and Conditions**" means the terms and conditions of the Securities set out in section 6 (*Terms and Conditions of the Securities*) of this Company Description.

"**Trustee**" means Nordic Trustee A/S, a Danish private limited liability company, registration no. (CVR-no) 34705720, and with its registered address at Bredgade 30, 1260 Copenhagen K, Denmark.

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended.

2. INFORMATION ABOUT THE ISSUER

2.1 Company data

DLF Seeds A/S
Ny Østergade 9, DK-4000 Roskilde
Website: www.dlf.dk; www.dlf.com

Company registration number (CVR-no.): 62 55 60 13

The Issuer is a Danish private limited liability company regulated by the Danish Companies Act. The Issuer's court of domicile is the City Court of Roskilde (Danish: *Retten i Roskilde*).

The Issuer is audited by Ernst & Young Godkendt Revisionspartnerselskab
Company registration number (CVR-no.): 30700228
Osvold Helmuths Vej 4, DK-2000 Frederiksberg

2.2 Description of the Issuer

The Issuer is a private limited liability company incorporated in Denmark in 1872. The Issuer is the main operating company within the Issuer Group and operates either directly or through its subsidiaries in 20 countries around the globe. The Issuer is controlled by the Parent, an agricultural cooperative incorporated in Denmark in 1906.

2.2.1 Business Activity of the Issuer Group

The Issuer Group is a global seed company dealing in forage and amenity seeds, and other crops with plant research and development (**R&D**), field multiplication (on contract), processing, distribution and sales and marketing. The Issuer Group ranks among the world's 10 largest seed companies measured by revenue.

The Issuer Group has four key business divisions:

- **Forage and turf seed;**
- **Sugar and fodder beets seed;**
- **Seed and ware potatoes;** and
- **Vegetable seed** (only multiplication and processing).

The forage and turf seed business division comprises (a) forage seed, which covers grass, clover and alfalfa seed for agriculture; (b) turf grass for professionals, which includes the building and construction sector, local authorities, public parks, turf (sod) producers and sports facilities; and (c) turf grass for the retail market, which covers consumer shopping in DIY ("Do It Yourself"), garden centres and supermarkets.

The sugar and fodder beet business division is organised as MariboHilleshög and trades under two brands; Maribo and Hilleshög. MariboHilleshög is organised as a 100% owned subsidiary of the Issuer.

The seed and ware potato business division is organised in a 50/50 joint venture (Danespo A/S) with Florimond Desprez, a French based, family owned sugar beet seed company with interests in the French potato industry. The potato business trades under two brands; Danespo and NSP.

The vegetable seed business division trades as Jensen Seeds and is organised as a 100% owned subsidiary of the Issuer.

The Issuer Group's revenue originates from the following business divisions¹:

- Forage and turf seed – 77%
- Sugar and fodder beets seed – 14%
- Potato division – 5%
- Vegetable seed – 4%

The Issuer Group has expanded considerably over the past few decades, and deems itself to be a key breeder, producer and marketer in the global seed industry.

The Issuer Group has strategically established itself in key markets in the temperate and Mediterranean (sub-tropical) climatic zones of both the Northern and Southern hemispheres to grow and sell seeds in order to ensure a consistent supply of products across the growing seasons.

The Issuer Group has a comprehensive product portfolio of proprietary forage and turf seed varieties replicating the geographical span of its sales and distribution network. This position reflects the focus on R&D activities, including its high value basic genetic pool.

2.2.2 Strategy Plan 2015-2020

The Issuer Group's strategy plan was formed in 2015 and extends to 2020. The plan contains three areas of focus: (i) Grow the business; (ii) add value; and (iii) science based.



“Grow the business” has defined a number of focus points or initiatives to grow the business organically. Otherwise, the goal is to grow through horizontal and especially vertical acquisitions, including green fields as deemed appropriate in each country, within the forage and turf business. Further, (i) *expanding* the geographical footprint, with special focus and management resources allocated to expanding into the Southern Hemisphere, and (ii) *extending* the product portfolio into related products or into high value crops (diversification) are expressed strategic goals. The acquisition of the MariboHilleleshög business was the result of the goal to diversify the strategic scope of the Issuer Group. Following acquisitions of smaller businesses in Uruguay and Argentina and the establishment of a joint venture in South Africa in partnership with Zaad Holdings Ltd., the biggest forage seed distributor in the country, the acquisition of PGW Seeds represents fulfilment of the Issuer Group's strategic ambitions in the Southern Hemisphere.

“Add value” has the strategic ambition to increase technology content in the products, especially in respect of forage seed, to increase the distribution business relative to the wholesale business (move closer to end-users) and to introduce value-add products, mixtures and concepts, logistical services and on-line tools. As enabler, this includes increased investments into plant breeding and trialling to back-up unique selling points (USPs), product concepts etc. with a specific focus on enhanced forage seed varieties for the dairy market in the North Western parts of Europe.

¹ FY 2017/18

“**Science based**” represents a continued effort to improve conventional plant breeding processes to make those more focused, more cost efficient and faster from initial cross to finished variety or product. This entails developing and investing in various technologies within applied biotechnology methods (including genetic markers, DNA mapping and derived selection tools) and other technologies (including TILLING², root screening, NIRS³ measurement of quality parameters and yield, drones and vision technologies). In addition, the Issuer Group participates in a number of consortiums with partners from the academic environment (including Copenhagen and Aarhus Universities) to develop such methods or tools for the designated crops.

2.2.3 PGG Wrightson Seeds Holdings Ltd.

The Issuer has signed an agreement to acquire 100% of the share capital of PGW Seeds from PGG Wrightson Ltd, a company listed on the NZX - New Zealand Stock Exchange. The purchase agreement remains conditional upon among other things clearance by the New Zealand Commerce Commission. Closing is expected to be around New Year 2018-19. The net proceeds from the issue of the Securities will be used to partly finance the purchase price of PGW Seeds.

PGW Seeds is a market leader within the cool season forage and turf seed industry in the Southern hemisphere. Hence, the Issuer Group and PGW Seeds hold complementary positions in the Northern and Southern hemispheres. Through the Issuer Group’s investment in the PGW Seeds business, the two businesses will obtain significant critical mass and business scope.

PGW Seeds operates in New Zealand, Australia, Uruguay, Argentina and Brazil and had an annual turnover of NZD 449,5m and EBITDA of NZD 35.6m in FY 2017/18 (ending 30 June).

2.2.4 Financial Figures of the Issuer

In FY 2017/18, which ran from 1 July 2017 to 30 June 2018, the Issuer⁴ reported revenues of DKK 4,325m, which was up from the previous year mainly attributable to the acquisitions of MariboHillesø and DLF Moore Seeds. EBITDA was reported at DKK 354m and EBIT at DKK 235m for FY 2017/18, which again was up compared to the year before. The number of employees, calculated as full-time equivalents, was nearly 1,200 for the reporting year 2017/18.

For further financial figures, please refer to the Issuer’s annual reports.

Combined Issuer and PGW Seeds key numbers for FY 2017/18 shown below (not audited or reviewed by the Company’s auditor) are based on the respective reported numbers for the year 2017/18.

In DKKm, 2017/18 ⁵	Issuer	PGW Seeds	Combined
Revenue	4,325	1,915	6,240
EBITDA	354	154	508
EBITDA Margin	8.2%	8.0%	8.1%

The combined group will employ approximately 1,800 people.

² TILLING is a radiation technique to provoke mutation in plants.

³ NIRS: Near-infrared Spectroscopy

⁴ Consolidated financial positions

⁵ NZD converted @ 4.2650 DKK

The Issuer's equity ratio was 48.7 percent as per 30 June 2018. Post-acquisition of PGW Seeds, it is the Issuer's goal to return to this equity ratio level within a three to four-year period, and to an operating leverage less than three times within the same period calculated as net interest-bearing debt over EBITDA.

2.2.5 Investment History of the Issuer Group

The Issuer Group has grown over the last three decades to become a major player in the seed industry, and it has a track record of strategic acquisitions with the goal of strengthening and diversifying its product offering as well as expanding its geographical footprint in terms of R&D, multiplication platform and distribution power. Over a 30-year period, the Issuer Group has increased its turnover by more than 15 times, organically and through strategic landmark acquisitions, including:

- Acquisition of the R&D, seed multiplication and processing activities and wholesale business of forage and turf seed from Group Limagrain, France (1995), and simultaneously forming a strategic alliance regarding retail distribution of the Issuer Group's forage and turf seed varieties through the Limagrain sales network.
- Acquisition of Cebeco Seeds Group (2003) and Advanta's forage and turf seed business (2006), both domiciled in the Netherlands, representing a major consolidation of the European forage and turf seed industry under the Issuer Group's lead.
- Acquisition of Pickseed group of companies in Canada and the USA (2013), consolidating the Issuer Group as a global player in the forage and turf seed industry with, at the time, approximately 30% of the Issuer Group's revenue being generated in North America.
- Acquisition of Syngenta's sugar beet seed business activities (2017), representing a diversification of the strategic scope of the Issuer Group into a high-value, technology driven crop, which is outside the strategic interest of the global crop life science players, and with opportunities to leverage R&D and seed technology.

Other strategically important developments comprise setting up business platforms in China (1996), Russia (2003) and New Zealand (2004), the acquisition of Estero S.A., Uruguay (2016) and GAPP Semillas, Argentina (2018), which expanded the Issuer Group's global footprint into South America, and the formation of a joint venture in South Africa (2017) with Zaad Holdings Ltd. as a distribution partner.

In June 2018, the Issuer acquired the business and business assets of La Crosse Forage and Turf Seeds LLC ("**LAX**"), domiciled in Wisconsin, USA. LAX is one of the largest distributors of forage and turf seed in the USA as well as of cover crops. The acquisition consolidates the Issuer Group's business platform in North America through forward integration in the distribution chain with the opportunity to harvest additional end-to-end margin. LAX had a revenue of US\$ 44.3m in FY2017 (ending 30 September) and employs around 70 people.

2.2.6 The Issuer's Ownership Structure

The shares in the Issuer are held as follows:

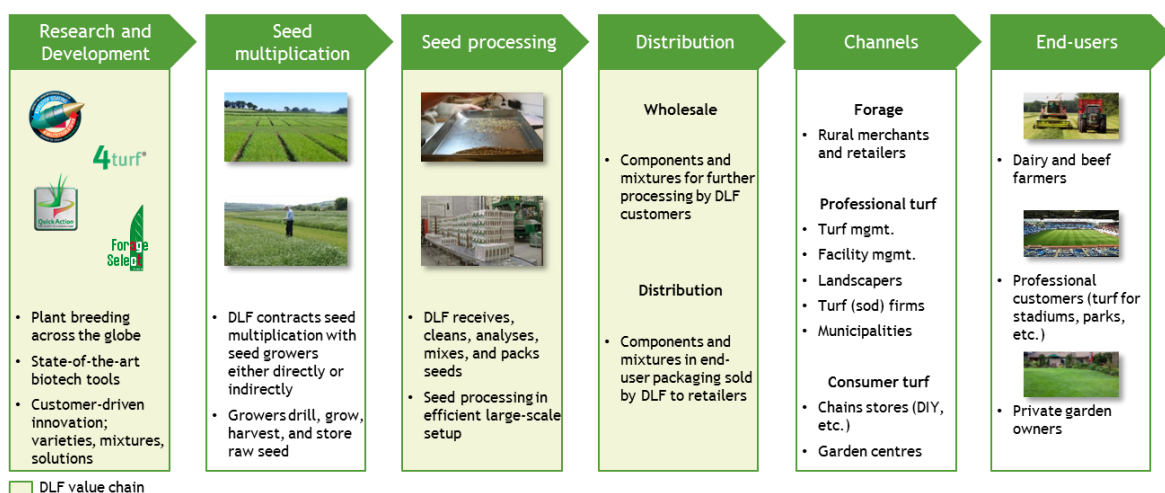
- **95.0% by DLF AmbA:** DLF AmbA is a Danish agricultural co-operative company, with its equity held by its co-operative members comprising approximately 3,000 Danish seed growers. DLF AmbA acts as a holding company of the Issuer Group and organises the Danish grower base of the Issuer Group by offering seed multiplication contracts; it does not have any other purpose or operating activities. The Parent exercises normal shareholder control of the Issuer Group.
- **4.9% by DLG AmbA:** DLG AmbA is a Danish agricultural co-operative company. The main business areas of DLG AmbA are farm supplies, vitamins and minerals, service and energy.
- **0.1% by private persons.**

2.2.7 The Issuer Group's business model

The Issuer Group is vertically integrated through the seed value chain in forage and turf seed, sugar and fodder beet seed and seed and ware potatoes. In vegetable seed the Issuer Group operates only as a service provider.

The value chain in the **forage and turf seed business division** is shown below.

The DLF forage and turf business model



The Issuer Group operates a research and development activity based on conventional plant breeding supported by applied biotechnology. Seed multiplication is contracted with seed growers. The Issuer Group does not farm. When the crop has been harvested, the seed is cleaned, analysed, possibly mixed and coated, packed and shipped; either at the Issuer Group's processing plants or with third parties. The Issuer Group supplies both wholesale customers and distributors. The latter includes retailers. The Issuer Group deals with certain end-users in the professional turf sales channel. Otherwise, the Issuer Group does not deal directly with end-users of seeds.

In the **sugar and fodder beet seed business division**, the principal configuration of the value chain is as above, whereas the sales channels are comprised of either the sugar producers/factories which steer the variety choice of sugar beet farmers, or distributors (who often also hold import licenses in more trade regulated countries like China or Iran). In fodder beets, sales channels are comprised of rural merchants and retailers as with forage seed. Fodder beets are used alongside forage seed by meat and milk farmers either lifted and fed in stables or grazed by animals in the paddocks.

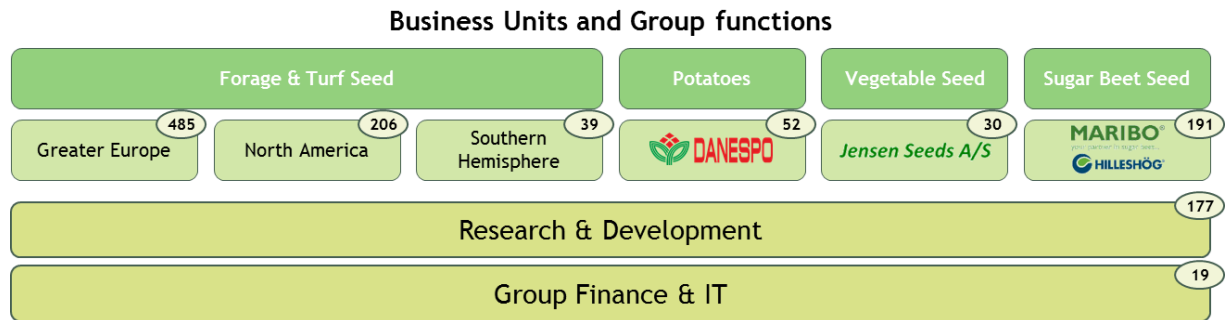
In the **seed and ware potatoes business division**, the value chain is principally as described above, whereas sales channels for seed potatoes are distributors, who sell to either retailers or directly to potato farmers, and for ware potatoes, retail chains, predominantly in Denmark, to private consumers. Further, some potato varieties are offered in licensing arrangements against royalty to amongst others McCain Foods Ltd., the world's largest French fries manufacturer.

In the **vegetable seed business division**, Jensen Seeds enters into seed multiplication contracts for vegetable, herb and flower seed and onions with third parties. The multiplication contract is stated in volume (tons of product), which is converted into multiplication hectares based on standard yields and standard loss of drilled fields (due to winterkill, weak plant emergence, weeds etc.). The resulting needed hectares are contracted with seed growers, who sow, manage and harvest the crop. Once harvested, the crop is processed and delivered to the customer or to distribution points as instructed by the customer. As a multiplication company, all of the resulting crop is sold, regardless of whether the actual crop is bigger or smaller than the contracted volume.

2.2.8 Organisation and Structure

Overall, the Issuer Group operates within four business divisions categorised by seed crop. The forage and turf seed operations are sub-divided into three business units according to geography: Greater Europe (including Russia and other CIS countries and China), North America and the Southern Hemisphere.

The business divisions forage and turf seed and MariboHillesög are fully supported by group functions such as finance and IT and R&D. Jensen Seeds is supported by group finance and IT (and as a sheer multiplication service provider it has no R&D department). As a joint venture, Danespo is less integrated into the structure.



Each business unit is comprised of a number of legal entities under group control. The number of employees in each business unit and function for FY 2017/18 is shown above.

The forage and turf seed business is made up of three geographical business units. Ranked in terms of revenue, Greater Europe is the biggest with North America taking second position. The Southern Hemisphere is significantly smaller than the other units in terms of revenue and employees. Subject to closing the PGW Seeds acquisition, the scope and magnitude of the Southern Hemisphere operations will increase significantly.

2.2.9 Forage and Turf Seed Market

The forage and turf seed market is generally a mature market, especially looking at the technically developed markets in Europe, North America and New Zealand. Other markets are less mature and less technical in nature. Weather conditions, especially drought and rain, may cause significant seasonal variations in seed multiplication and consumption.

In terms of market size or market value, no statistics from public sources exist; nor is the market regularly covered by market research houses. In terms of volume, it is estimated that North America is the world's biggest cool-season forage and turf seed market followed by Europe. From a value perspective, Europe and New Zealand are judged to be relatively bigger than their share of volume.



The **forage seed** market is estimated to constitute approximately half of the global forage and turf market. In terms of consumption, Europe and South America are the biggest areas. Generally, the more intensive farming is in terms of head per land unit, the more incentivised farmers, being milk or beef farmers, are to maximise yield and optimise quality of the forage production from that land. Consequently, this segment of the agricultural market is driven by proprietary seed and varieties. In contrast, more extensive and less sophisticated farm management systems typically use commodity seed and common varieties. Fodder beet, maize and compound feed are competing feed sources to forage grass but are also each other's supplements.



In the **professional turf market**, the professional turf user demands proprietary seed and varieties. This is also a technical market. The professional use demands a range of different attributes or traits related to wear tolerance, density, maintenance, clipping etc. Artificial turf and various hybrid turf solutions are used in completion with natural

grass. The Issuer Group has supplied turf seed to a number of major global events such as the 2012 and 2016 Olympic Games, the 2010, 2014 and 2018 World Cup and 2016 Euro Cup. The professional turf market is estimated to account for approximately 25-30 percent of the world's consumption. The USA is judged to be the largest consumer in the world.



In the **home garden market**, the purchase decision by consumers, to a very large extent, is uninformed. Availability in retail stores when the sowing season is open, especially in the spring, is critical. As it is a low awareness purchase by the majority of home garden owners, the seed itself becomes less important, whereas convenience, in-store marketing and price become decisive decision points. For retailers, price, logistics and movement off the shelves are key buying decision points. The home garden market is estimated to account for approximately 20-25 percent of world consumption.

The **competitive landscape** is different across geographies. This is influenced by various factors including market regulations, industry structure and market sophistication.



¹ Not exhaustive, included for illustrative purposes

As seen from the above chart, the markets in **Europe** and **Australasia** are relatively consolidated with clear market leaders. Markets are generally sophisticated, and value based with relatively good margin opportunities. A low-end market segment coexists with the proprietary segment.

In **North America**, the industry structure is highly fragmented with a large number of players and with no clear market leader. The professional turf market has a high level of sophistication. Other parts of the market are less sophisticated, less driven by proprietary products, and the low end may be characterised as a commons market (or bulk market) with limited production differentiation. Whereas the European market is highly regulated under the certification system, among others, the North American market is far less regulated. Consequently, entry barriers in the North American market are lower than in Europe. Serving these market segments requires business scale and an efficient, low cost supply chain.

The markets in **South America** have many similarities with North America. Importantly, however, countries like Argentina and Uruguay are introducing legislation that requires seed to be certified. Especially in the forage market the longer-term outlook is favourable. As South American agriculture gets more professionalised through education and investments, there is expected to be a need for technology transfer to support better farming practices,

including higher efficiency and sustainability, which in turn is expected to promote the use of proprietary forage seed.

2.2.10 Sugar and Fodder Beet Seed Market

White sugar is used in the food and beverage industry and by households. Globally, the main sweetener source is sugar cane followed by **sugar beet**. In Europe, sugar beets are primarily grown in the North West spanning across to the East and Russia. Further, sugar beets are grown in North America and other bigger markets are China and Iran.



Northwest Europe and across to Poland is sometimes referred to as the “sugar belt”. This market is highly technical and is expected to benefit from the lifting of the EU sugar market regime that was governed by quotas longer term. There is no expectation that the US sugar market regime will change. The US market is a GM dominated market, meaning

that varieties used have been genetically modified (“GM”) to withstand Glyphosate, often referred to as Roundup. This GM trait is no longer patent protected. In the rest of the World, the markets are less technically advanced. However, in comparison with forage and turf seed, sugar beet seed is highly R&D intensive and high value. A significant part of value creation is a combination between genetics and seed care (plant protection). The process of applying seed care to the seed (by coating) is a relatively advanced and highly specialised production. In applied biotechnology, sugar beet and forage and turf can share background methods etc. and hence the combined business should allow for bigger critical mass in these programs and development projects.

Sugar production is widely a “closed circle”, where the sugar companies test (including in field trials) seed varieties and issue recommendation lists of varieties from which the sugar beet farmers make their choice. This is particularly true in the technical markets. The sugar companies are the main sale channel to reach the sugar beet farmers. In other markets, the channel is via importers (holders of import licenses) and/or distributors.

There are only a few players active in the sugar beet seed market. Hence, it is a highly concentrated niche. German based KWS is the market leader, especially in the US, where KWS also controls the application of the GM Roundup ready trait under an agreement with Monsanto. SESvanderhave / Florimond Desprez is in second position and MariboHilleslög is in third position in the global market. In designated markets like Russia and certain markets in Eastern Europe, MariboHilleslög holds a stronger position.

Fodder beets are used in agricultural production either as in-stable feed or they are grazed. The primary market for fodder beet seed today is New Zealand. The use of fodder beets has increased over the past five years. However, the growth rate now seems to be stagnant. Use in Europe has declined in recent decades but seems to have reached a stable level.

Fodder beet seed, to some extent, is a spin-off from sugar beet seed R&D. Fodder beet, as opposed to sugar beet, has higher dry matter content relative to sugar content, less dirt tare and is often coloured. The value aspiration in fodder beet is lower than in sugar beet.

2.2.11 Seed and Ware Potatoes

Seed potatoes are used by potato farmers to produce commercial potatoes (ware potatoes). Ware potatoes comprise table potatoes consumed by domestic households, sold via grocery stores, or supermarkets etc., and industrial potatoes used in the food and food processing industry. This includes French fries, potato chips and potato granules and flakes. In addition, a significant industrial application is starch.



The seed potato market is a proprietary market as well as a common market. For the proprietary market, a high and consistent quality of potatoes is a very important sales parameter when dealing in the industry and table potato segments. This requires knowhow among growers and the right soils in which to grow the potatoes. Competitive yields are important to get varieties produced. Storage ability of the crop is needed to preserve quality.

Varieties that are no longer protected (common varieties) may be produced and marketed without royalty. The common market is highly competitive in terms of price, as entry barriers are low. It does not require large investments to establish a potato grading facility, and potato farmers are able to produce common varieties cheaply, process their crops at their own grading facilities and deliver to chains at low costs.

In the developed world, the table potato market is stagnant due to change of eating preferences and convenience. However, the market for convenience food, including pre-processed potato products, is increasing. This trend offers certain value add aspects, as industrial food processing requires certain attributes from the potatoes.

In general, there is limited cross-over between potatoes and the other lines of business. However, the partnership with Florimond Desprez helps underpin collaborations within the sugar beet seed business.

Key industry players comprise Dutch breeders and marketers HZPC and Agrico.

2.2.12 Vegetable Seeds

The vegetable seeds market is highly consolidated among a few players that include crop life science multinationals Bayer/Monsanto, BASF and Syngenta. Other big players are Limagrain Group (French based), Rijk Zwaan, Bejo, Pop Vriend (all Dutch based), Takii and Sakata (Japanese based).



The vegetable seeds market is largely a proprietary market. It requires heavy investments into R&D, which in turn creates high barriers to entry into a niche seeds market. The vegetable seed companies closely monitor field multiplication to secure high quality in terms of purity, germination and trueness of variety. End-users are professional vegetable growers, who are ready to honour quality through the seed price.

Due to the high R&D budgets required, many vegetable seed companies are increasingly outsourcing the supply chain in order to focus on R&D and marketing of proprietary varieties. The Issuer Group's establishment or acquisition of an R&D program would be both very costly and time consuming before a variety would be ready for launch and would also severely compromise current customer relationships. Therefore, it is the clear strategy of Jensen Seeds to develop as a service provider, including to geographically broaden the production platform. In some geographical areas, certain vegetable seed species are grown along-side forage and turf seed, including in New Zealand and in Oregon. Jensen Seeds could take advantage of the Issuer Group's presence in some of these geographical areas.

A part of the market is less sophisticated and based on common varieties.

2.2.13 Plant Research & Development

The Issuer Group operates plant research in turf and forage seed species and in sugar and fodder beets. Danespo operates a separate potato research programme.

The R&D activities are comprised of conventional plant breeding and an extensive trial network. The goal is to improve the basic genetic background material so that prospect varieties perform stronger in terms of the various applications and uses as well as withstand stress, pests and disease pressures.

To support the conventional plant breeding activities, the Issuer Group applies a number of advanced tools, including genomic selection, TILLING, market assisted breeding, new trait screening systems, NIRS quality measurement tools and hybrids. The purposes of these applied technologies are to make more qualified predictions of variety performance at an early stage, to reduce the number of field trials and replications, reduce costly quality measuring and to reduce development time for new varieties.

The activities are centred around a number of research facilities with the main R&D centre in Denmark. However, prospect varieties need to be tested under local conditions where they are going to be marketed and used. Hence, the Issuer Group operates a global network of trial sites which mirrors its global sales approach. The map below shows the geographical span of the Issuer Group's global footprint.



Red: Issuer Group's research facilities and trial sites; Green: Issuer Group's commercial presence

The Issuer Group has developed and holds a significant number of protected seed varieties of forage and turf seed, sugar and fodder beets and potatoes, which constitute essential intellectual property rights for the business. In addition, the Issuer Group commercializes a number of novel endophytes, which enhances forage grass varieties' resistance to insect attacks. This is essential technology in certain areas in New Zealand and is applicable to certain conditions across the Southern parts of the United States and South America especially. The Issuer Group has developed and holds proprietary rights to such endophytes.

Plant breeders' rights are protected under the UPOV protocol, an UN convention established to protect plant varieties. To obtain protection, a plant variety needs to live up to a set of specimens, known as "DUS" (distinction, uniform and stable). This works in lieu of patents. In addition, the Issuer Group holds certain patents, including to commercial endophytes.

In order to market a variety in certain jurisdictions (e.g. in the EU), the variety needs to be tested in official trials in accordance with the applicable trial protocol(s). To be accepted the variety normally needs to outperform already listed varieties (or controls). When enrolled in the official variety list of a country, the variety may be sold in that country. This is the regime through-out the EU, but also in many other countries. Further, if listed in one EU country the variety will be enrolled in the EU variety list and may be produced and/or sold in any EU country under the certification rules and requirements. However, this does not automatically secure the commercial success of a variety, as many countries have recommendation lists, which determine adaptability to local growing conditions or management regimes. Top rankings on recommendation lists are the strongest marketing tools for varieties.

Further, the Issuer Group has developed and holds rights to various technologies and methods within applied biotechnology within forage and turf seed as well as sugar and fodder beets, including genomic mapping and genetic markers and NIRS calibrations related to yield and quality measurements. Certain technologies are delivered in partnerships with leading academic institutions like Aarhus and Copenhagen universities, Crop Innovation Denmark and BioValue Consortium.

2.3 Reasons for the decision to apply for admission to trading including the intended use of the proceeds

The Issuer considers Nasdaq First North Bond Market as an attractive platform for the Issuer Group's endeavours to ensure transparency of the Issuer Group's operation and development.

Admission of the Securities to trading on Nasdaq First North Bond Market will furthermore contribute to the spreading of knowledge about the Issuer Group and will thereby increase the interest among business partners and customers. Admission of the Securities to trading on Nasdaq First North Bond Market has been approved, and the first trading date is expected to be 27 November 2018.

The Issuer shall use the net proceeds from the Initial Security Issue to partly finance the purchase price of the Acquisition. The Issuer shall use the proceeds from the issue of any Additional Securities to partly finance or re-finance the purchase price of the Acquisition or for general corporate purposes.

2.4 Financial Calendar of the Issuer

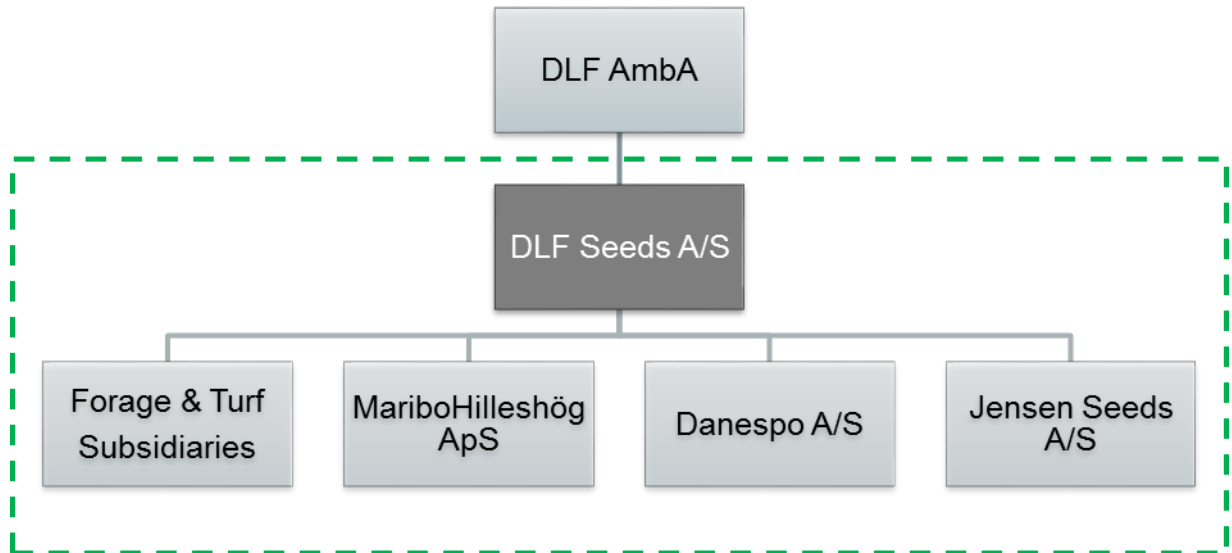
21 February 2019	Half-year 2018/19 financial report (six months ending 31 December 2018 (not audited or reviewed by the Issuer's auditor))
14 May 2019	Report for the three months ending 31 March 2019 (not audited or reviewed by the Issuer's auditor)
26 September 2019	Full year 2018/19 financial report (audited by the Issuer's auditor)
29 October 2019	Annual general meeting 2019
November 2019 (date to be determined)	Report for the three months ending 30 September 2019 (not audited or reviewed by the Issuer's auditor)

The Issuer will continuously comply with the most recent "Nasdaq First North Bond Market Rulebook". This currently includes publishing an annual report and a half-yearly report. The Issuer will with effect from the financial quarter ending on 31 March 2019 publish quarterly reports.

The Issuer will continuously observe its obligation to disclose all information relevant to the Securities in accordance with the most recent "Nasdaq First North Bond Market Rulebook".

2.5 Organization

The structure of the Issuer Group (framed by the dotted line) and the Issuer's position therein is shown below.



PGW Seeds will be integrated into the Issuer Group as forage and turf subsidiaries and placed in two new business units; one covering South America (together with Issuer's Uruguayan and Argentinian subsidiaries) and one covering Australasia (together with Issuer's subsidiary in New Zealand).

2.6 Financial information

2.6.1 Annual reports and financial statements

The 2016/2017 and 2017/2018 audited annual reports of the Issuer, which include the audited consolidated financial statements of the Issuer have previously been published on the Issuer's website and shall by reference be incorporated in, and form part of, this Company Description. Such annual reports can be accessed at www.dlf.com or www.dlf.dk.

The annual reports for 2016/2017 and 2017/2018 have been prepared in accordance with the Danish Financial Statement Act.

The annual reports of the Issuer for the fiscal years 2016/2017 and 2017/2018 have been audited by Ernst & Young Godkendt Revisionspartnerselskab, company registration number (CVR-no.): 30700228, Osvald Helmuths Vej 4, DK-2000 Frederiksberg. The audit has not resulted in any qualifications.

2.6.2 Description of the general financial trend over the last two fiscal years

ISSUER⁶	2017/18	2016/17
KEY FINANCIAL NUMBERS IN M.DKK:		
Revenue	4,324.9	3,526.8
EBITDA ^{1) Non-GAAP measures}	353.9	285.9
EBIT	234.5	213.2
Financial items (net)	-20.7	-18.5
Profit before tax	213.8	194.7
Profit after tax	174.5	147.8
ASSETS:		
Fixed Assets	885.3	697.2
Current Assets	1,828.5	1,459.1
TOTAL ASSETS	2,713.8	2,156.3
EQUITY & LIABILITIES		
Equity	1,321.5	1,164.9
Provisions	53.5	44.2
Long-term debt	399.2	592.6
Current debt and accruals	939.7	354.5
TOTAL EQUITY & LIABILITIES	2,713.8	2,156.3

1) Reconciliation of non-GAAP measures in M.DKK:

	2017/18	2016/17
EBIT	234.5	213.2
Depreciations and amortisations	115.3	70.5
Gain on sale of fixed assets	4.1	2.2
EBITDA	353.9	285.9

2.6.3 Board of Directors of the Issuer

The Board of Directors currently consists of five members elected by the general meeting of the Issuer and three members elected by the employees.

Christian Høegh-Andersen

Chairman of the Board
Landowner

Year of birth: 1969

Member of the board since:
25 October 2011

⁶ Issuer's consolidated financial positions

Søren Wibholm Just

Vice-chairman of the Board

Landowner

Year of birth: 1960

Member of the board since:

26 October 2010

Peter Bagge Hansen

Board member

Landowner

Year of birth: 1971

Member of the board since:

27 October 2015

Flemming Rod Madsen

Board member

Landowner

Year of birth: 1968

Member of the board since:

27 October 2015

Tina Sejersgård Fanø

Board member

Executive Vice President, Novozymes A/S

Year of birth: 1969

Member of the board since:

25 October 2016

Hans Kristian Juranich

Board member elected by the employees

Year of birth: 1971

Member of the board since:

30 October 2018

Rasmus H. Larsen

Board member elected by the employees

Year of birth: 1988

Member of the Board since:

30 October 2018

Mette M. Pontoppidan

Board member elected by the employees

Year of birth: 1964

Member of the Board since:

30 October 2018

2.6.4 Executive Board of the Issuer

The Executive Board currently consists of 3 members.

Truels Damsgaard

Chief Executive Officer

Year of birth: 1958

Part of the Executive Board since:

9 November 1995

Søren Halbye

Chief Commercial Officer

Year of birth: 1969

Part of the Executive Board since:

30 October 2012

Morten Andersen

Chief Financial Officer

Year of birth: 1959

Part of the Executive Board since:

4 August 2006

2.6.5 Statement of past records

There have been no instances within the last 5 years of any conviction of economic crime, fraud related convictions, bankruptcies, liquidations or similar processes where members of the Issuer's Board of Directors or Executive Board have been involved and no such instances or processes are ongoing.

2.7 Material contracts

To the knowledge of the Board of Directors, the Issuer is not a party to material contracts that are not entered into in the ordinary course of business, which could result in the Issuer, or another member of the Issuer Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Securityholders in respect of the Securities.

2.8 Description of ownership structure of issuer

The Issuer is a subsidiary of Dansk Landbrugs Frøselskab AmbA (company registration number (CVR) 69459218) (the Parent), which owns 95% of the shares of the Issuer. 4.9% of the shares in the Issuer are owned by DLG AmbA, and the remaining outstanding shares are held by private persons.

No member of the Board of Directors or the Executive Board of the Issuer and no Certified Adviser owns any shares in the Issuer.

2.9 Transactions with DLF AmbA and its members

DLF AmbA organises the Danish seed grower base i.e. its members. The Issuer's production need for forage and turf seed in Denmark is contracted between DLF AmbA and its members. The resulting harvest is delivered by the members directly to the Issuer for further processing.

The Issuer pays the harvest value to DLF AmbA in two instalments and DLF AmbA passes on the full amounts to the growers. Settlements occur in December (on account) of the year of harvest and in June (final) the following year. The settlement value for the harvest is calculated as realised market value (at wholesale level, ex works)

less certain costs and profit margin for the Issuer. In addition to the harvest value, the Issuer pays to DLF AmbA up to a maximum of two percent of the year's harvest value as remuneration for organising the grower base; this remuneration is referred to as the "purchase provision".

The harvest value paid by the Issuer to DLF AmbA and passed on to growers at cost was DKK 755m for harvest 2017. It is noted that out of the amount paid by the Issuer to DLF AmbA, 98 percent is passed directly on to the growers. The remaining two percent is retained by DLF AmbA and placed in each grower's personal capital account and subsequently retained for six years ("holdback").

2.10 Transactions with persons discharging managerial responsibilities

The Issuer is not a party to transactions involving the members of the Board of Directors or the Executive Board or other persons with managerial responsibilities.

The following members of the Board of Directors: Mr. Christian Høegh-Andersen, Mr. Søren Wibholm Just, Mr. Peter Bagge-Hansen and Mr. Flemming Rod Madsen have indirectly (with Parent as intermediate) entered into seed multiplication contracts with the Issuer in their capacity as seed growers and members of Parent.

2.11 Relevant information that significantly effects the Issuer's or Issuer Group's financial position or profitability

The Issuer Group has signed an agreement to acquire 100% of the share capital of PGW Seeds which is described elsewhere in this Company Description.

2.12 Litigation

The Issuer is from time to time involved in litigation. The Issuer is not currently involved in legal proceedings, and to the best of the knowledge of the Board of Directors of the Issuer, no litigation is pending or threatened which in either case have a material adverse effect of the Issuer or the Issuer Group.

2.13 Information about the liquidity provider

The Issuer has not retained any liquidity provider with respect to the Securities.

2.14 Information about the Certified Advisers

The Joint Bookrunners act as Certified Advisers for the Issuer during the period for application for admission to trading and until the first day of admission to trading on Nasdaq First North Bond Market. Each Joint Bookrunner has been approved as Certified Adviser by Nasdaq Copenhagen A/S.

Danske Bank A/S, Holmens Kanal 2-12, DK-1092 Copenhagen K

and

Nordea Bank Abp, Satamaradankatu 5, FI-00020 NORDEA, Helsinki, Finland

There will be no certified adviser following the first day of admission to trading.

In order to facilitate the financing of the Issuer's acquisition of PGW Seeds, the Joint Bookrunners have committed to provide financing to the Issuer including a bridge loan which will be repaid out of the proceeds to the Issuer from the issuance of the Securities.

3. INFORMATION ABOUT THE FIXED INCOME INSTRUMENTS

3.1 Description of the fixed income instruments

The Securities constitute direct, unsecured and subordinated obligations of the Issuer.

The Securities shall be registered in dematerialised form in the Securities Depository according to the relevant securities registration legislation and the requirements of the Securities Depository.

Upon registration of a Securityholder's Securities in the Securities Depository, the Securityholder shall be bound by the Terms and Conditions without any further action or formality being required to be taken or satisfied.

The terms and conditions of the Securities are described in more detail in the Terms and Conditions in section 6 of this Company Description, which is an integral part of this Company Description.

3.2 Description of the ranking of the fixed income instruments

The Securities shall at all times rank *pari passu* and without any preference among themselves.

The rights and claims of the Trustee and the Securityholders against the Issuer in respect of the Securities shall, save for such exceptions as may be provided by applicable legislation, rank behind the claims of Senior Creditors, *pari passu* with the rights and claims of holders of Parity Securities and in priority only to the rights and claims of holders of all Issuer Shares.

No Securityholder, who is in the event of the liquidation or bankruptcy of the Issuer indebted to the Issuer, shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Securities held by such Securityholder.

3.3 Description of the rights attached to the fixed income instruments

The Securities are freely transferable but the Securityholders may be subject to purchase or transfer restrictions with regard to the Securities under paragraph (c) of Clause 2.1 (*Amount, denomination and ISIN of the Securities*) in the Terms and Conditions or under laws to which a Securityholder may be subject. Each Securityholder must ensure compliance with such restrictions at its own cost and expense.

Legal title to the Securities will pass by electronic registration in the book entry system and register maintained by the Securities Depository in accordance with the rules and procedures of the Securities Depository from time to time. Each Securityholder shall (except as otherwise required by law) be treated as absolute owner for all purposes and no person shall be liable for so treating such Securityholder.

3.4 Description of representation of fixed income instrument holders

The Issuer has entered into an agreement with the Trustee whereby the Trustee vis-à-vis the Issuer has undertaken to act as a single point of contact for and represent the Securityholders in accordance with Clause 16 (*The Trustee*) of the Terms and Conditions.

The Issuer has undertaken to, among other things, pay certain fees to the Trustee, reimburse the Trustee for certain costs and expenses and indemnify the Trustee against costs, losses or liabilities incurred by the Trustee in acting as Trustee for the Securityholders. The agreement, and any non-contractual obligations arising out of or in connection therewith, is governed by and shall be construed in accordance with the laws of Denmark.

Further information is available on the Trustee's website www.nordictrustee.com.

There are no other contractual obligations between the Issuer and the Trustee and to the best of the knowledge of the Board of Directors of the Issuer, the Trustee does not have any conflicts of interest with respect to representation of the Securityholders vis-à-vis the Issuer.

The Trustee has been registered as representative with the register kept by the Danish Financial Supervisory Authority (*Finanstilsynet*) in accordance with chapter 4 of the Danish Capital Markets Act.

3.5 Details of public credit ratings assigned to the Issuer or its fixed income instruments

Neither the Issuer nor the Securities have been assigned any public credit rating at the request or with the co-operations of the Issuer in the rating process.

4. RISK FACTORS

4.1 Introduction

Any investment in the Securities is subject to a number of risks. Prior to investing in the Securities, prospective investors should carefully consider risk factors associated with any investment in the Securities, the business of the Issuer and the Issuer Group and the industry in which they operate, including in particular the factors described below. Most of these factors are contingencies which may or may not occur and neither the Issuer nor the Issuer Group is in a position to express a view on the likelihood of any such contingency occurring. The factors are not listed in any order of priority with regard to significance or likelihood of occurrence.

Securityholders should be aware that the Securities are exposed to market conditions of a general nature. Accordingly, the market price of the Securities may be influenced by numerous factors that cannot be foreseen at the time of investment.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Securities, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Securities may occur for other reasons, and the Issuer does not represent that the statements below regarding the risks of holding the Securities are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Company Description, including any information incorporated by reference, and reach their own conclusions prior to making any investment decision. Prospective investors are recommended to seek independent advice concerning legal, accounting, tax and other issues relating to the specific circumstances of individual Securityholders before deciding whether or not to invest in the Securities.

Words and expressions defined in section 6 ("*Terms and Conditions*") below or elsewhere in this Company Description have the same meanings in this section, unless otherwise stated. References to a numbered "Clause" shall be to the relevant Clause in section 6 ("*Terms and Conditions*").

The occurrence of any of the following risks could have a material adverse effect on the Issuer or the Issuer Group's business, financial condition, revenue, cash flow and/or results of operations, and consequently have a negative effect on the Issuer and its ability to satisfy and fulfil its obligations under the Securities or may be material for the purpose of assessing the market risks associated with the Securities.

4.2 Risks related to the Issuer's business

4.2.1 Production/harvest

A seed or potato crop in any harvest year may deviate from standard ranging, in the extreme, from a bumper crop to crop failure. Variations up to 20 percent of overcrop or undercrop in individual species are not uncommon. Especially in less technical (or bulk) markets an overcrop tends to create downwards pressure on market prices. However, in beet seed sales prices are less likely to be influenced as much by an overcrop as in other seeds,

because the seed component of the sales price is relatively smaller (seed care is a significant value driver) than in for example in forage and turf seed.

In the event of an undercrop prices tend to rise. An undercrop may however result in lack of availability if the Issuer Group cannot source elsewhere, including intergroup. This may lead to loss of revenue and loss of end-to-end gross margin to the extent cover purchases happen in the open (wholesale) market. An undercrop of vegetable seed will result in loss of revenue and gross margin, as it will not be possible to source any shortfall in the open market.

As especially forage and turf seed are produced in competition with primarily a cereal crop, low cereal prices tend to promote growers' appetite for economically better alternatives. Seed is one of such alternatives. Hence, low cereal prices tend to result in low seed prices due to an increase in production. Seed prices tend to trail cereal prices with one or two years due to the production cycle. Not only does any overcrop potentially influence on market pricing, the consequential overstock is costly to handle and store as well as to finance.

4.2.2 Weather

Weather may influence the supply side as well as the demand side of the market. On the supply side, adverse weather conditions may cause low harvest yields, if not crop failures, and on the demand side adverse weather may negatively impact the ability to apply commercial seed by end-users. Long-lasting droughts, continuous (heavy) rainfalls or other extreme weather events, which may occur more frequently in the future, may influence the markets negatively. In addition, warmer and more humid climate is likely to promote increased disease and stress pressures compared to today causing varieties currently used to underperform.

4.2.3 Raw material

Seed and potato need to fulfill certain technical specifications regarding e.g. germination and purity to be marketable. Adverse growing and harvest conditions may cause the crop to become substandard especially in respect of germination power. Further, if not stored and handled with due care at the farm level or in warehouses the crop risk losing germination, which may cause the seed to lose its marketability. Stored properly seed may maintain germination for two to three years depending on species, whereas any stock of potato not sold at the end of the season will have to be discarded.

Poor raw material quality reduces efficiency and capacity in processing plants and warehouses, increase costs for waste disposals and for re-processing and re-certification. To the extent raw materials cannot be processed to meet quality specifications of sales orders, such materials may be sold only as off-grade or uncertified.

4.2.4 Competition in the market

Generally, the Issuer Group is operating in niche segments of the global seed market. There is presently a high degree of industry consolidation in the forage and turf industry in Europe and Australasia, in sugar and fodder beets and vegetable seed markets, whereas the level of consolidation in the forage and turf seed industry in North and South America and in potatoes is lower (see sections 2.2.9 – 2.2.12 for further description of the competitive landscape). New consolidation movements may create new strong players in any segments.

Technology driven disruption (e.g. technology cross-over from row crops) could significantly change the competitive landscape in seeds and potatoes. This potentially includes the global crop life science companies like Bayer (and Monsanto), Syngenta, DowDuPont or BASF. These players have significantly larger resources than the Issuer and entry into the seeds and potato segments, where the Issuer and Issuer Group are involved, poses a longer-term risk to the Issuer.

On variety (or product) level, introduction of better performing varieties from competition's R&D pipeline compared to the Issuer's varieties targeting the same market, segment, or sub-segment, may cause decreasing demand for the Issuer's variety, especially in technically advanced markets.

In the vegetable seed business, the Issuer Group is transacting with a few, big customers of spinach seed, which is the predominant vegetable species contracted and sold. In the other business segments, the customer portfolio is quite broad.

Web-based sales and marketing platforms, digitalization and block chain technology could change behaviors through-out the distribution chain posing a risk to the Issuer Group and the Issuer Group's distribution set-up. New web platforms supporting buying pools consolidate end-users' purchasing volume and powers, which entails a risk of a reduction of prices.

Retailers are getting bigger and trans-national and are looking to increase efficiency in procurement processes, including a reduction of the number of suppliers, and to exploit their bigger purchasing power to pressure suppliers on terms and conditions (including price).

4.2.5 Dependency on suppliers including the Parent

Interruptions of supplies from key suppliers, including as a result of catastrophes such as hurricanes, earthquakes, floods or terrorist activities, could disrupt production and/or sales.

In 2017/2018 forage and turf seed corresponding to approximately 27 percent of cost of goods sold by the Issuer Group was produced by cooperative members of the Parent; being Danish seed growers. Seed is produced in crop rotation and on terms and conditions laid down in a seed multiplication contract. Should the members of the Parent choose to reduce or totally discard seed in the crop rotation for whatever reason (including economic reasons) the Issuer and the Issuer Group will lack access to products at competitive cost prices for sales.

Although, fewer, but bigger growers, offer scale advantages in processing and operations, it may increase the volatility in supplies in terms of yields and quality to the extent a certain variety is placed with a small number of growers.

4.2.6 Dependency on subsidiaries

Except for the vegetable seed business, the Issuer and the Issuer Group constitute a vertical value chain within R&D, sourcing, processing, distribution and sales and marketing of products. Should a subsidiary fail to operate, in part or in full, the Issuer Group may suffer losses, may fail to service or perform or may miss opportunities.

4.2.7 Dependency on key assets/production plants

The Issuer and the Issuer Group operate a few, large production units in order to gain scale. To the extent one of such units does not operate fully and efficiently, especially during high season, the customer service and delivery performance may suffer. As seed is used in short window (one sowing season in spring, another in autumn), failure to deliver on time may cause customers to cancel orders and to make replacement purchases in the market with loss of revenue, customer goodwill and trust.

4.2.8 Technologies used

Technologies are broadly applied throughout the business and functions of the Issuer Group. Breakdowns and downtime at especially critical periods will have negative implications on performance and loss of goodwill and trust.

Business processes are operated and supported by various IT systems. IT-breakdown as well as communications breakdown will cause operational interference, even shut down. This includes essential R&D processes.

Further, the Issuer is offering growers in Denmark and clients certain on-line services through the web portals “DLF Grower Login”, “MyDLF” and “Jensen Seeds Login”, which provide to the user certain self-service functionalities, benchmarking, contract and financial overviews/statements, track-and-trace and advisory documentation. The Issuer offers these digital services primarily to forage, turf and vegetable seed growers and clients. Especially for the vegetable seed clients the information flow and transparency provided via the web portal are considered important. Disruption of services, lack of software and systems maintenance and lack of functionality development compared to competition may be reflected in reduced customer loyalty and potentially loss of business.

4.2.9 Acquisition of PGW Wrightson Seeds Holdings Ltd ("PGW Seeds")

The presumed acquisition of PGW Seeds constitutes a major strategic step for the Issuer. Its size as well as the geographical distance and scope of the PGW Seeds business makes it a complex acquisition. The takeover, integration of the business of PGW Seeds and harvesting of synergies are associated with risks. Furthermore, it is a risk that closing of the transaction is not consummated or that synergies are not harvested.

4.2.10 Retention of key employees

The Issuer Group's success is largely dependent on the skills, experience and efforts of key employees. The loss of several key employees (including retirements) at the same time, without a properly executed transition or succession plan, could have an adverse effect on the Issuer Group's business. The loss of key employees who have intimate knowledge of the Issuer Group's core processes could lead to increased competition to the extent that those employees are hired by a competitor and are able to recreate the Issuer Group's processes. Future success will also depend in part upon the Issuer Group's continuing ability to attract and retain highly qualified personnel, who are in great demand. In some cases, both attracting and retaining key staff may entail offering improved wage and benefit packages which may have general overlays across certain functions or businesses of the Issuer.

4.2.11 Labour agreements

Labour agreements are generally negotiated at regular intervals and the risk exists that labour agreements may not be renewed at all or on reasonably satisfactory terms and this could have an adverse effect on the Issuer Group's business. Disputes may arise which could escalate into strikes, blockades or other actions taken by employees and/or labour unions. Such conflicts may not only cause disruption of operations with certain direct financial implication but could also result in negative press or other negative publicity, for instance via social media, which in turn may impair the Issuer's reputation and goodwill among stakeholders, regardless whether such negative publicity is founded in facts or not.

4.2.12 IT and cyber risks

The Issuer Group is subject to IT and cyber risks, including: (i) systems may be hacked and data locked; (ii) hackers attack with the intention to harm the Issuer Group's IT infrastructure; (iii) hackers attack with the intent to obtain sensitive data, such as confidential industrial information, bank details or personal data, or (iv) cyber criminals pretend to be a senior person from the Issuer Group asking for transfer of funds or confidential information. This could have an adverse effect on the Issuer's business.

4.2.13 Terrorist attacks and other attacks or acts of war

Terrorist attacks and other attacks and acts of war have caused and may continue to cause instability in markets and have led, and may continue to lead, to further armed hostilities or further acts of terrorism worldwide, which could cause further disruption in markets and may impact on the operations of the Issuer Group or of the Issuer Group's customers or suppliers.

4.2.14 Acquisitions, joint ventures, partnerships and divestments

The Issuer Group carries out transactions as part of its overall expansion strategy. These include acquiring new business activities and companies, setting up joint ventures and entering into partnerships.

Aside from the difficulties involved in carrying out acquisitions or forging partnerships under satisfactory conditions, the Issuer Group may encounter difficulties with integrating acquired companies or in realizing the full potential of acquisitions, joint ventures or partnerships or difficulties in terminating any such transaction. This may limit the benefits expected from such transactions.

The Issuer Group is party to a certain number of partnership agreements, and collaboration and consortium agreements. In order for such arrangements to deliver the assumed benefits and economic returns the partners need to have coinciding interests, also over time. Especially for partnerships in which neither partner can exercise control, if objectives diverge this may create a dead lock situation leading to strategic and operational difficulties for the entities concerned.

Further, guarantees and warranties which have been provided by the Issuer Group to partners might become effective.

4.2.15 Impairment of long-lived assets and goodwill

Significant negative industry or economic trends, disruptions to the business of the Issuer Group, unexpected significant changes or planned changes in use of the assets, divestitures and market capitalization declines may result in impairments to goodwill and other long-lived assets. Future impairment charges could affect the results of operations in the period recognized.

4.2.16 Sources of financing

The Issuer Group has various committed and un-committed credit and guarantee facilities. The un-committed credit and guarantee facilities may be terminated at will by the credit providers.

The contractual documentation relating to the committed credit and guarantee facilities contains a series of financial and non-financial covenants with which the Issuer Group must comply. Any breach of such covenants could result in an event of default and acceleration of the financing under the relevant documentation. The Terms and Conditions do not include a cross-default or cross-acceleration provision which would be triggered in case of the occurrence of an event of default or an acceleration under such committed credit and guarantee facilities. Accordingly, the Securityholders may not be able to take any action to enforce the Securities even though other creditors of the Issuer may be taking enforcement action. Furthermore, any uncommitted facilities could be accelerated at any time and the Issuer Group has no assurances that its assets would be sufficient to repay such indebtedness in full.

In addition, further financial resources may be needed, if the market develops worse than anticipated by the Issuer, or if anticipated synergies from acquisitions do not materialize. The Issuer may experience difficulties in raising additional capital from current shareholders due to its holding structure with a cooperative as controlling shareholder.

4.2.17 Fluctuations in working capital

The seed and potato businesses are highly seasonal causing (net) working capital to fluctuate over the year. To add to the seasonality, yields of actual crop may vary from planned (standard) yields. Especially in the case of overcrop, this will further add to (unexpected) working capital fluctuations. Due to production cycle and contractual commitments on seed multiplication contracts, which reach out several years depending on specie, it takes typically two years to bring back inventory levels to desired levels following a year of overcrop.

4.2.18 Contracts

The Issuer Group is a party to a number of contracts and any breach by the Issuer Group or any of its counterparties may be a risk for the Issuer Group.

4.3 Risks related to development in macroeconomic factors, politics and financial markets

4.3.1 Volatility in the price of raw materials and energy

The costs of the raw materials and other inputs (including services) used by the Issuer Group are subject to volatility. Relative increases in seed costs (grower prices) to market value will reduce profitability. Increases in energy prices will be reflected in increased operational costs, including costs for seed drying, heating and general operations in plants, and increased external costs, including costs for transportation, packing material and other sales and production related input items.

4.3.2 Interest rate risk

Changes in interest rates affect both the market value of the Issuer Group's financial assets and liabilities and its net finance costs. The interest rate risk to which the Issuer Group is exposed relates mainly to long-term financial liabilities, which bear variable rates. Variable rate debt exposes the Issuer Group to rate volatility risk (cash flow risk). Fluctuations in interest rates, including a potential rise in rates from the record lows reached in recent years, is a risk.

4.3.3 Credit risk

The Issuer Group faces risk from exposure to potential losses arising from the failure of trade or financial counterparties to fulfill their obligations. Were a counterparty to default such risk could have an adverse effect on the Issuer Group.

4.3.4 Exchange rate fluctuations

The Issuer Group operates internationally and is therefore exposed to exchange rate risk in respect of the various currencies in which it operates. Primary currency exposures relate to Euro, United States dollars, Canadian dollars, and British Pounds. Secondary exposures relate to Argentinian and Uruguayan pesos, Russian ruble, South African rand and New Zealand and Australian dollars. Following the closing of the PGW Seeds acquisition the Issuer Group will have significant dealings and assets denominated in New Zealand dollars and, to a lesser extent, in Australian dollars.

Since the Issuer Group prepares its consolidated financial statements in Danish Kroner (DKK), there is a risk that fluctuations in the exchange rates used to translate the financial statements of subsidiaries, which were originally calculated in a foreign currency, could adversely affect the Issuer Group's results of operations and financial condition.

Further, with the acquisition of PGW Seeds, the Issuer Group will have a significant presence and important assets in South America, especially Uruguay, but also in Argentina and Brazil. Even though a significant part of agricultural trade, even domestically, is denominated in United States dollars in these countries, substantial devaluations of local currencies have an impact on local purchasing power and translated asset values into the Issuer Group's reporting currency DKK.

4.3.5 Counterparties in hedging

On an on-going basis the Issuer Group enters into arrangements with financial institutions to hedge exposure to fluctuations in commodity prices, currency and interest rates, including forward contracts and swap agreements. The failure of one or more counterparties to hedging arrangements to fulfill or renew their obligations could adversely affect the results of operations.

4.3.6 Geopolitical dependency

The Issuer Group is operating across the temperate and sub-tropical climate zones. As its global foot print expands, the exposure to trading conditions in less constitutionally and economically stable countries and jurisdictions increases. This includes trading with and in countries subject to international sanctions.

Hence, there is a high political risk associated with doing business in such countries.

Seeds or potatoes are generally not sanctioned products. The exposure is primarily related to business partners being or potentially becoming SDN listed persons, entities or organizations. In terms of business conducted in countries subject to sanctions Iran and Russia are the two markets for commercial importance for sugar beet, forage and turf seed. Moreover, receiving payments from Iranian clients is an additional risk.

In the UK, uncertainty surrounding BREXIT remains. The UK is an important market for the Issuer Group with quite important investments into serving the British domestic market.

With its broad geographical presence and international supply chain, the Issuer Group benefits from an international free trade regime. Seed is generally traded internationally with low tariffs or levies. Restrictions on current rule of order in international seed trade will influence the business negatively.

4.4 Risks related to law and regulation

4.4.1 Compliance and laws and regulation

Applicable laws and regulations associated with the Issuer Group's operations are complex and increase the cost of doing business. Any non-compliance with or violation of these laws and regulations expose the Issuer Group to fines and penalties.

Seed laws vary across the world. Non-compliance with seed laws may result in fines. However, non-compliance may result in certain consequential effects too. Supplying seed lots containing certain noxious weeds or lots of conventional seed contaminated by a trait stemming from a genetically modified variety (cross pollination in open field multiplication), in each case contents disallowed under applicable seed laws, may cause authorities to order a clean-up for marketer's account and a claim for loss of crop and damages by the inflicted land owner.

4.4.2 Changes to law and regulation

To grow quality seed and potatoes growers need access to certain agrochemicals e.g. to spray out weeds, to fight plant diseases and insect attacks. Each applied agrochemical is approved by the authorities for its designated use in a crop. Changes in or banning of access to agrochemicals is a risk to quality and yields, which will make processing costlier and may increase seed costs in general.

4.4.3 Agricultural policies, subsidies and market regulations

The agricultural sector is generally subsidized or regulated by governments around the globe (except for New Zealand). Subsidy regimes or market regulations distort free market equilibriums creating politically influenced demand and supply balances and thereby pricing in the various markets. Agricultural policies may also include elements of environmental regulations or other politically defined goals. Any new or any changes to government agricultural policies constitute a risk to the Issuer and the Issuer Group, as new equilibriums may be established as a consequence of new or changed policies.

4.4.4 Environmental liabilities

The Issuer Group is subject to environmental protection laws and regulations governing its operations and any non-compliance with or violation of these laws and regulations expose the Issuer Group to fines and penalties.

4.4.5 Competition law

The Issuer Group is subject to competition law in the jurisdictions where it operates. Competition authorities are showing an increasing attention to commercial activities by market players. The geographical distribution of employees, makes it difficult at all times to monitor local compliance in respect of local market conduct, including compliance with code of conduct with in industry forums, in which Issuer is a member (including ISF and ESA). The Issuer Group may be exposed to the risk of incurring economic sanctions with high negative repercussions for the Issuer Group's reputation for non-compliance by an employ(ees).

4.4.6 Legal proceedings

The Issuer Group may from time to time be involved in legal or analogues proceedings that could have an economical risk to the Issuer Group. The Issuer is currently party to two disputes with the Danish tax authorities (SKAT). The disputes are of a principal nature and disputed amounts are not viewed as material.

4.5 Risks related to the Securities and trades in the Securities

4.5.1 Suitability

As set out in more detail in the following risk factors, the Securities are subordinated obligations of the Issuer ranking senior only to the Issuer Shares and therefore, in case of a bankruptcy of the Issuer there is a real risk that the Securityholders will lose all or some of their investment. Accordingly, the Securities may not be a suitable investment for investors. Each potential investor must make its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment, either alone or with help of a financial adviser. In particular, each potential investor should:

- i. have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risk of investing in the Securities and the information contained or incorporated by reference in this Company Description;
- ii. have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the effect the Securities will have on its overall investment portfolio;
- iii. have sufficient financial resource and liquidity to bear all of the risks of an investment in the Securities, including Securities where the currency for principal or interest payments is different from the potential investor's currency;
- iv. understand thoroughly the Terms and Conditions of the Securities and be familiar with the behaviour of any relevant indices and financial markets; and
- v. be able to evaluate (either alone or with help of a financial adviser) possible scenarios of economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risk.

4.5.2 Dematerialised Securities

The Securities are dematerialised securities held in the system of the Securities Depository according to the relevant securities registration legislation and the requirements of the Securities Depository.

Legal title to the Securities will pass by electronic registration in the book entry system and register maintained by the Securities Depository in accordance with the rules and procedure of the Securities Depository from time to time. Each Securityholder shall (except as otherwise required by law) be treated as absolute owner for all purposes and no person shall be liable for so treating such Securityholder.

4.5.3 The Securities are subordinated obligations

The Securities will be subordinated obligations of the Issuer and the Securities will rank pari passu with each other in a winding-up of the Issuer. Upon the occurrence of any winding-up of the Issuer, payments on the Securities will be subordinated in right of payment to the prior payment in full of all creditors of the Issuer, except for payments in respect of any Parity Securities or Issuer Shares. The obligations of the Issuer under the Securities are intended to be senior only to its obligations to the holders of the Issuer Shares.

Securityholders are advised that unsubordinated liabilities of the Issuer may also arise out of events that are not reflected in the financial statements of the Issuer, including, without limitation, the issuance of guarantees on an unsubordinated basis. Claims made under such guarantees will become unsubordinated liabilities of the Issuer which, in a winding-up of the Issuer, will need to be paid in full before the obligations under the Securities may be satisfied.

Although subordinated debt securities may pay a higher rate of interest than comparable debt securities which are not subordinated, there is a real risk that an investor in subordinated securities such as the Securities will lose all or some of his investment should the Issuer become insolvent.

It is noted that the Issuer shall pay the settlement amount in full for any crop to the Danish seed growers (and members of DLF AmbA) calculated in accordance with the terms of the standard seed multiplication contract entered into with respective seed growers (via DLF AmbA), at all times including when interest accrued on the Securities has been deferred. In addition, and as set out in the Terms and Conditions, certain other payments are permitted to be made by the Issuer to DLF AmbA under loans made by DLF AmbA to the Issuer (including during periods in which payment of interest accrued on the Securities has been deferred. These include (i) payments (capped at an aggregate of DKK 3,000,000 in any financial year) to DLF AmbA to cover its running costs; (ii) payments to cover taxes; and (iii) Permitted Seeds Settlement Hold Back Payments.

4.5.4 Dependence on Subsidiaries

The Issuer is dependent on the operation and results of its subsidiaries. The Issuer is accordingly dependent on dividends, distributions and other payments from its subsidiaries to make payments under the Securities.

4.5.5 Fixed Rate Securities

The Securities bear interest at a fixed rate until the First Call Date (and thereafter will be subject to a reset of the initial fixed rate on every Reset Date as set out in the Terms and Conditions).

A holder of a fixed interest rate security is exposed to the risk that the price of such security may fall because of changes in the market interest rate. While the nominal interest rate of a fixed interest rate security is fixed during the life of such security or during a certain period of time, the current interest rate on the capital market (the "**market interest rate**") typically changes on a daily basis. As the market interest rate changes, the price of such security tends to change in the opposite direction (barring other factors influencing the price). If the market interest rate increases, the price of such security typically falls, until the yield of such security is approximately equal to the market interest rate. If the market interest rate falls, the price of a fixed interest rate security typically increases, until the yield of such security is approximately equal to the market interest rate. Securityholders should be aware that during the period in which the Securities bear interest at a fixed rate, movements of the market interest rate can adversely affect the price of the Securities and can lead to losses for the Securityholders if they sell Securities while the market interest rate exceeds the fixed interest rate of the Securities.

4.5.6 Risks relating to the reset of interest rates linked to the 4-year swap rate

From and including the First Call Date to but excluding the Maturity Date or the date on which the Issuer redeems the Securities in whole pursuant to the Terms and Conditions, the Securities bear interest at a rate which will be

determined on each Interest Determination Date at the 4-year Swap Rate (the "**4-year Swap Rate**") for the relevant Reset Period plus the relevant Margin for the relevant Reset Period. Potential investors should be aware that the performance of the 4-year Swap Rate and the interest income on the Securities cannot be anticipated. Due to varying interest income, potential investors are not able to determine a definite yield of the Securities at the time they purchase them, therefore their return on investment cannot be compared with that of investments having longer fixed interest periods. In addition, after Interest Payment Dates, Securityholders are exposed to the reinvestment risk if market interest rates decline. That is, Securityholders may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

Potential investors in the Securities should bear in mind that neither the current nor the historical level of the 4-year Swap Rate is an indication of the future development of such 4-year Swap Rate during the term of the Securities. Furthermore, during each Reset Period, it cannot be ruled out that the price of the Securities may fall as a result of changes in the market interest rate, as the market interest rate fluctuates. During each of these periods, the Securityholders are exposed to the risks, please see section 4.5.5 ("*Fixed Rate Securities*").

4.5.7 Risks associated with the reform of EURIBOR and other interest rate benchmarks

The EURIBOR and other interest rate indices which are deemed to be benchmarks are subject to recent international reform. On 30 June 2016, the "Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014" (the "**Benchmark Regulation**") entered into force. Subject to various transitional provisions, the Benchmark Regulation applied from 1 January 2018. The scope of the Benchmark Regulation is wide and, in addition to so-called 'critical benchmark' indices such as EURIBOR, will apply to many other interest rate indices, which could also include the 4-year Swap Rate. Accordingly, securities linked to a benchmark whose administrator does not obtain authorization or meet the other requirements in the Benchmark Regulation could be de-listed, adjusted, redeemed prior to maturity or otherwise impacted.

Any of the international or national proposals for reform of benchmarks could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain benchmarks, trigger changes in the rules or methodologies used in certain benchmarks or lead to the disappearance of certain benchmarks. The disappearance of a benchmark or changes in the manner of administration of a benchmark could result in among other things adjustment to the Terms and Conditions, delisting or other consequence in relation to Securities linked to such benchmark.

4.5.8 Optional Interest Deferral

The Issuer may elect to defer any interest payment for any period of time. Payment of such deferred interest payment, together with any interest accrued thereon (Clause 8 (*Cumulative optional interest deferral*)), may be subject to certain conditions.

Any such deferral of interest payments will not constitute a default for any purpose. Any deferral of interest payments will likely have an adverse effect on the market price of the Securities. In addition, as a result of the interest deferral provision of the Securities (Clause 8 (*Cumulative optional interest deferral*)), the market price of the Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferral and may be more sensitive generally to adverse changes in the Issuer's financial condition.

4.5.9 The Securities are long-dated securities

The Securities will mature on the Maturity Date. Save for any redemption pursuant to Clause 10.9 (*Mandatory early redemption at the Longstop Date*), the Issuer is under no obligation to redeem or repurchase the Securities prior to such date, although the Issuer may elect to do so in certain circumstances. Securityholders have no right

to call for the redemption of the Securities and the Securities will only become due and payable in certain circumstances relating and limited to payment default and a liquidation or bankruptcy of the Issuer (see Clause 13 (Event of Default)). Securityholders should therefore be aware that they may be required to bear the financial risks associated with an investment in long-term securities.

4.5.10 Early redemption risk

The Issuer may redeem all but not some only of the Securities on the First Call Date or on any Interest Payment Date thereafter, at their principal amount together with any accrued interest in respect of the immediately preceding Interest Period and any Outstanding Payments. In addition, upon the occurrence of certain other specified events (for taxation reasons, for accounting reasons, due to failure to consummate the Acquisition, on the occurrence of a Replacing Capital Event or on the occurrence of a Change of Control Event, all as set out in the Terms and Conditions), the Issuer shall have the option to redeem the Securities at the prices set out in the Terms and Conditions, in each case together with any accrued interest to the redemption date and any Outstanding Payments. The Securities may also be redeemed at the option of the Issuer in whole, but not in part, if the Issuer or any of its Affiliates has purchased and holds and/or has cancelled Securities with an aggregate principal amount of equal to or greater than 80 per cent. of the initial aggregate principal amount of the Securities. Finally, the Issuer is under an obligation to immediately redeem the Securities at their Early Redemption Amount (together with any accrued interest to the redemption date and any Outstanding Payments) if certain conditions have not been fulfilled within the Longstop Date.

During any period when the Issuer may elect to redeem the Securities, the market value of the Securities generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem the Securities when its cost of borrowing, generally or in respect of instruments which provide similar benefits to the Issuer, is lower than the interest payable on the Securities. At such times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest payable on the Securities being redeemed and may only be able to reinvest the redemption proceeds at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

4.5.11 No limitation on issuing senior or pari passu securities

There is no restriction on the amount of securities or other liabilities which the Issuer may issue, guarantee or incur and which rank senior to, or pari passu with, the Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Securityholders on a winding-up of the Issuer and/or may increase the likelihood of a deferral of interest payments under the Securities.

4.5.12 Default and limited remedies

The only remedy against the Issuer available to the Securityholders for recovery of amounts which have become due in respect of the Securities will be the institution of proceedings for bankruptcy of the Issuer and/or proving in such bankruptcy and/or claiming in the liquidation of the Issuer in which case there is a real risk that the Securityholders will lose all or some of his investments due to the Securities being subordinated to all creditors of the Issuer except for the Issuer's obligations under Parity Securities and Issuer Shares.

4.5.13 Modification, waivers and substitution

The Terms and Conditions contain provisions for calling meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders, including Securityholders who do not attend and vote at the relevant meeting and Securityholders who vote in a manner contrary to the majority.

4.5.14 Representation of the Securityholders

Pursuant to the Terms and Conditions, the Trustee represents the Securityholders and is always acting with binding effect on behalf of all the Securityholders.

The Terms and Conditions contain provisions to the effect that a Securityholder is prohibited from taking actions of its own against the Issuer as no Securityholder is entitled to take any enforcement action, instigate any insolvency procedures, or take other action against the Issuer or any other party in relation to any of the liabilities of the Issuer or any other party under or in connection with the Terms and Conditions, other than through the Trustee and in accordance with the Terms and Conditions, provided, however, that the Securityholders shall not be restricted from exercising any of their individual rights derived from the Terms and Conditions.

Under the Terms and Conditions, the Issuer and Trustee (acting on behalf of the Securityholders) may agree to amend the Terms and Conditions or waive a past default or anticipated failure to comply with any provision in the Terms and Conditions, provided that:

- i. such amendment or waiver is not detrimental to the rights and benefits of the Securityholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes; or
- ii. such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
- iii. such amendment or waiver has been duly approved by the Securityholders in accordance with Clause 15 (*Securityholders' decisions*) of the Terms and Conditions.

A failure by the Trustee to perform its duties and obligations properly or at all may adversely affect the enforcement of the rights of the Securityholders.

Under the Terms and Conditions, any funds collected by the Trustee as the representative of the Securityholders must be held separately from the funds of the Trustee. If the Trustee fails to separate the funds in an appropriate manner, the funds could be included in the Trustee's bankruptcy estate in the event of the Trustee's bankruptcy.

The Trustee may be replaced by a successor Trustee in accordance with the Terms and Conditions. Generally, the successor Trustee has the same rights and obligations as the retired Trustee. It may be difficult to find a successor Trustee with commercially acceptable terms or at all. Further, it cannot be excluded that the successor Trustee would not breach its obligations under the above documents or that insolvency proceedings would not be initiated against it.

4.5.15 Absence of prior public markets

The Securities constitute a new issue of securities by the Issuer. Prior to such issue, there will have been no public market for the Securities. Although application has been made for the Securities to be admitted to trading on the Nasdaq First North Bond Market, there can be no assurance that an active public market for the Securities will develop and, if such a market were to develop, neither the Joint Bookrunners nor any other person is under any obligation to maintain such a market. The liquidity and the market prices for the Securities can be expected to vary with changes in market and economic conditions, the financial condition and prospects of the Issuer and the Issuer Group and other factors that generally influence the market prices of securities. Illiquidity may have an adverse effect on the market value of the Securities.

4.5.16 Securityholders will lose their rights to Outstanding Payments on the Maturity Date

If not redeemed or purchased and cancelled earlier, the Securities will be redeemed on the Maturity Date at their principal amount, together with accrued interest in respect of the Interest Period ending on (but excluding) the Maturity Date. Any Outstanding Payments will automatically be cancelled on the Maturity Date. Consequently, if the Securities are not redeemed until the Maturity Date, Securityholders will lose all rights and claims in respect of Outstanding Payments at that date.

4.5.17 Securityholders have no voting rights

The Securities are non-voting with respect to general meetings of the shareholders of the Issuer. Consequently, the holders of the Securities cannot influence, *inter alia*, any decisions by the Issuer to defer payments of interest or to optionally settle Outstanding Payments or any other decisions by the Issuer's shareholders concerning the capital structure of the Issuer.

4.6 Risks related to the market generally

4.6.1 Risks related to incidental costs related in particular to the purchase and sale of Securities

When Securities are purchased or sold, several types of incidental costs (including transaction fees and commissions) may be incurred in addition to the purchase or sale price of the Securities. These incidental costs may significantly reduce or eliminate any profit from holding the Securities. Credit institutions as a rule charge commissions which are either fixed minimum commissions or pro rata commissions, depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, investors may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third-party costs).

In addition to such costs directly related to the purchase of Securities (direct costs), investors must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Securities before investing in the Securities. These additional costs may significantly reduce or eliminate any profit from holding the Securities.

4.6.2 The trading market for debt securities may be volatile and may be adversely impacted by many events

The market for debt securities issued by the Issuer is influenced by a number of interrelated factors, including economic, financial and political conditions and events in the Kingdom of Denmark as well as economic conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialized countries. There can be no assurance that events in Denmark, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Securities or that economic and market conditions will not have any other adverse effect. Accordingly, the price at which a holder will be able to sell his Securities may be at a discount, which could be substantial, from the issue price or the purchase price paid by such holder.

4.6.3 The proposed financial transactions tax

On February 14, 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transactions tax (the "**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has a very broad scope and could, if introduced, apply to certain dealings in the Securities (including secondary market transactions) in certain circumstances. The issuance and subscription of the Securities should, however, be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Securities where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (i) by transacting with a person established in a Participating Member State or (ii) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

However, the FTT proposal remains subject to negotiation between the Participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate, and/or Participating Member States may decide to discard the Commission's Proposal. Prospective holders of the Securities are advised to seek their own professional advice in relation to the FTT.

4.6.4 The Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as "**FATCA**", a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Denmark) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, such withholding would not apply prior to 1 January 2019. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Securities, the Issuer will not pay any additional amounts as a result of the withholding.

The FATCA provisions are particularly complex and their application to the Issuer and the Securities is uncertain. Nothing in this section constitutes or purports to constitute tax advice and Securityholders are not entitled to rely on any provision set out in this section for the purposes of making any investment decision, tax decision or otherwise. Each investor should consult its own tax adviser to obtain a more detailed explanation of the FATCA provisions and to learn how this legislation might affect it in its particular circumstances.

4.6.5 Exchange rate risk and exchange controls

The Issuer will pay principal and interest on the Securities in EUR. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currencies (the "**Investor's Currency**") other than EUR. These include the risk that exchange rates may significantly change (including changes due to devaluation of the EUR or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to EUR would decrease (a) the Investor's Currency equivalent yield on the Securities, (b) the Investor's Currency equivalent value of the principal payable on the Securities and (c) the Investor's Currency equivalent market value of the Securities. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

5. ADDITIONAL INFORMATION

5.1 Advisers

Legal adviser to the Issuer:

Kromann Reumert, Sundkrogsgade 5, DK-2100 Copenhagen Ø.

5.2 VP Agent

Nordea Danmark, filial af Nordea Bank Abp, Finland, Grønlandsvej 10, DK-2300 Copenhagen S.

6. TERMS AND CONDITIONS

DLF SEEDS A/S EUR 90,000,000 CALLABLE SUBORDINATED CAPITAL SECURITIES DUE 3018
ISIN DK0030430962

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These terms and conditions (the “**Terms and Conditions**”) are dated 22 November 2018 and are made between:

- (1) **DLF Seeds A/S** (a company incorporated in Denmark with company registration no. (CVR) 62556013 and registered address at Ny Østergade 9, 4000 Roskilde, Denmark) as issuer of the Securities (as defined below) (the “**Issuer**”); and
- (2) **NORDIC TRUSTEE A/S** (a company incorporated in Denmark with company registration no. (CVR) 34705720 and with registered address at Bredgade 30, 1260 Copenhagen K, Denmark), as trustee on behalf of the Securityholders (as defined below) (the “**Trustee**”).

1 INTERPRETATION

1.1 Definitions

The following terms will have the following meanings:

“**4-year Swap Rate**” means the rate for a Reset Period determined by the Calculation Agent on the Interest Determination Date for the relevant Reset Period and will be:

- a) the mid swap rate for euro swap transactions with a maturity of 4 years, as published on Reuters screen “ICESWAP2” (formerly called “ISDAFIX2”) under “Euribor Basis EUR” (or such other page or service as may replace it for the purposes of displaying European swap rates of leading reference banks for swaps in euro) (the “**Mid-Swap Page**”), as at approximately 11.00 a.m. (Central European time) on the Interest Determination Date applicable to such Reset Period; or
- b) if, on the Interest Determination Date applicable to such Reset Period, no rate is calculated and published on the Mid-Swap Page, the arithmetic mean (rounded if necessary, to the nearest second decimal place, with 0.005 being rounded upwards) of the quotations offered by the Reset Reference Banks at approximately 11.00 a.m. (Central European time) on such Interest Determination Date, to prime banks in the European market for the mid swap rate for euro swap transactions with a maturity of 4 years in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; provided that if fewer than two rates are so quoted, the 4-year Swap Rate shall be (i) in the case of each Reset Period other than the Reset Period commencing on the First Call Date, the 4-year Swap Rate for the immediately preceding Reset Period, or (ii) in the case of the Reset Period commencing on the First Call Date, the Initial 4-year Swap Rate.

“**Accounting Principles**” mean the generally accepted accounting principles, standards and practices in Denmark (based on the Danish Accounting Act (in Danish: *Årsregnskabsloven*)) to be applied on a consistent basis subject to any changes required by any regulation.

“**Acquisition**” means the acquisition by the Issuer of the Target Shares on the terms of the Acquisition Agreement.

“**Acquisition Agreement**” means the share sale and purchase agreement dated 4 August 2018 relating to the sale and purchase of the Target Shares and made between the Issuer and the vendor listed therein as such agreement may be amended, provided such amendments are not materially adverse to the interests of the Securityholders in the opinion of the Trustee.

“**Additional Amounts**” has the meaning given to it in Clause 11 (*Taxation*).

“**Additional Securities**” mean Securities issued under a Tap Issue.

“Adjusted EBIT” means EBIT for the Issuer on a consolidated basis for a financial year minus five per cent. of the Issuer’s cost base (gross operating expenses, labour costs and depreciations).

“Affiliate” means any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person. For the purpose of this definition, “control” when used with respect to any person means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Annual Financial Statements” mean the audited unconsolidated and consolidated annual financial statements of the Issuer for any financial year, prepared in accordance with the Accounting Principles, such financial statements to include a profit and loss account, balance sheet, cash flow statement and report of the board of directors.

“Business Day” means a day on which both the relevant Securities Depository settlement system is open and which is a TARGET Day.

“Calculation Agent” means Nordic Trustee A/S, acting as calculation agent.

“Calculation Period” has the meaning given to it in Clause 7.3 (*Interest and payment dates*).

“Capital Markets Act” means the Danish Act on Capital Markets (in Danish: *lov om kapitalmarkeder*), Consolidated Act no. 12 of 8 January 2018 as amended.

“Change of Control Event” means the occurrence of an event or series of events whereby (i) any person or group of persons acting in concert gains control of the Parent, and/or (ii) the Parent ceases to have control of the Issuer.

For the purpose of this definition, **“control”** means:

- a) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - i) cast, or control the casting of, more than one half of the maximum number of votes that might be cast at a general meeting of the relevant person;
 - ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the relevant person; or
 - iii) give directions with respect to the operating and financial policies of the relevant person with which the directors or other equivalent officers of the relevant person are obliged to comply; or
- b) holding beneficially of more than 50 per cent. of the issued share capital of the relevant person.

“Code” has the meaning given to it in Clause 7.2 (*Payments subject to fiscal laws*).

“Compulsory Payment Event” means any of the following events:

- a) the shareholders and/or the Board of Directors of the Issuer have resolved to pay or distribute a dividend or otherwise make a payment or distribution on any Issuer Shares, other than a dividend, distribution or payment which is made in the form of any Issuer Shares;
- b) the Issuer or any of its subsidiaries pays any dividend, other distribution or other payment in respect of any Parity Security (other than a dividend, distribution or payment which is made in the form of any Issuer Shares);
- c) the Issuer or any of its subsidiaries redeems, repurchases or otherwise acquires any Issuer Share or any Parity Security;

- d) the Issuer or any of its subsidiaries repays or prepays any principal amount (or capitalised interest) outstanding under the Working Capital Loans, or pays any interest, fee or charge accrued or due thereunder, except for any Permitted Working Capital Loan Payment;
- e) the Issuer or any of its subsidiaries make any payment of commission to the Parent, for the purchase of seeds other than the Purchase Commission; or
- f) the Parent (using funds received from the Issuer or any of the Issuer's subsidiaries), the Issuer or any of the Issuer's subsidiaries repays any part of the Seeds Settlement Hold Back other than any Permitted Seeds Settlement Hold Back Payment,

provided that, in the cases of paragraphs (b) and (c) above, no Compulsory Payment Event shall occur as a result of the exchange or conversion of one class of Issuer Shares for another class in a transaction not involving cash payment.

"Deferred Payment" has the meaning given to it in Clause 8 (*Cumulative optional interest deferral*).

"Determination Period" has the meaning given to it in Clause 7.3 (*Interest and payment dates*).

"Early Redemption Amount" means 101.00 per cent. of the Nominal Amount per Security.

"EBIT" means the consolidated operating profit (loss) of the Group before interest and tax.

"Escrow Account" means an account in the name of the Issuer, pledged and blocked on first priority as security for the Issuer's obligations under these Terms and Conditions.

"Escrow Account Pledge" means the pledge over the Escrow Account, where the bank operating the account has waived any set-off rights.

"Event of Default" has the meaning given to it in Clause 13 (*Event of Default*).

"Exchange" means First North Bond Market as operated by Nasdaq Copenhagen A/S (First North Denmark).

"FATCA" has the meaning given to it in Clause 7.2 (*Payments subject to fiscal laws*).

"Financial Indebtedness" means indebtedness in respect of:

- a) moneys borrowed;
- b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a balance sheet liability;
- e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- f) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing;
- g) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- h) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (f) above.

“Financial Reports” mean the Annual Financial Statements and the Interim Accounts.

“First Call Date” has the meaning given to it in Clause 7.3 (*Interest and payment dates*).

“First Fixed Rate” means the sum of the Initial 4-year Swap Rate and the Initial Margin, corresponding to 6.375 per cent. per annum.

“Force Majeure Event” has the meaning given to it in Clause 18 (*Force majeure and limitation of liability*).

“Group” means the Issuer with all its subsidiaries from time to time.

“Initial 4-year Swap Rate” means 0.203 per cent. per annum.

“Initial Margin” means 6.172 per cent. per annum.

“Initial Security Issue” means the aggregate Nominal Amount of all Securities issued on the Issue Date.

“Interest Determination Date” means the second TARGET Day prior to the date on which the relevant Reset Period commences.

“Interest Payment Date” has the meaning given to it in Clause 7.3 (*Interest and payment dates*).

“Interest Period” means the period from (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

“Interest Rate” means, before (and excluding) the First Call Date, the First Fixed Rate and, from (and including) the First Call Date, the Reset Fixed Rate.

“Interim Accounts” mean the unaudited unconsolidated and consolidated quarterly financial statements of the Issuer for the quarterly period ending on each 31 March, 30 June, 30 September and 31 December in each year, prepared in accordance with the Accounting Principles.

“ISIN” means International Securities Identification Number – the identification number of the Securities.

“Issue Date” means 27 November 2018.

“Issuer’s Securities” mean any Securities which are owned by the Issuer or any Affiliate of the Issuer.

“Issuer Shares” mean shares of the Issuer of any class.

“Joint Bookrunners” mean Nordea Bank Abp and Danske Bank A/S.

“Longstop Date” means the date referred to in paragraph (a) of clause 4.2 (*Last date for satisfaction of Conditions*) in the Acquisition Agreement as such date may be extended in agreement between the parties to the Acquisition Agreement. As of the date hereof, the Longstop Date is the date falling 12 months after 4 August 2018.

“Mandatory Settlement Date” means the earliest of:

- a) any Interest Payment Date in respect of which the Issuer does not elect to defer all of the interest accrued in respect of the relevant Interest Period;
- b) the date falling 10 Business Days after the date on which a Compulsory Payment Event has occurred;

- c) the date, other than the Maturity Date, on which the Securities fall due for redemption in accordance with Clauses 10.2 (*Redemption at the option of the Issuer*), 10.3 (*Redemption for taxation reasons*), 10.4 (*Redemption for accounting reasons*), 10.5 (*Redemption due to failure to consummate the Acquisition*), 10.6 (*Redemption due to a Replacing Capital Event*), 10.7 (*Redemption due to a Change of Control Event*), 10.8 (*Redemption for a minimum outstanding principal amount*) or 10.9 (*Mandatory early redemption at the Longstop Date*); and
- d) the date on which an order is made for the bankruptcy (in Danish: *konkurs*), winding up, liquidation or dissolution of the Issuer (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).

“Margin” means for each Interest Period from (and including) the First Call Date to (but excluding) the Maturity Date, the sum of the Initial Margin and the Step-up Margin.

“Maturity Date” means 27 November 3018.

“Maximum Issue Amount” shall have the meaning ascribed to such term in paragraph a) of Clause 2.1 (*Amount, denomination and ISIN of the Securities*).

“Nominal Amount” means the nominal amount of each Security as set out in paragraph b) of Clause 2.1 (*Amount, denomination and ISIN of the Securities*).

“Optional Deferral Notice” has the meaning given to it in Clause 8 (*Cumulative optional interest deferral*).

“Optional Redemption Notice” has the meaning given to it in Clause 10.2 (*Redemption at the option of the Issuer*).

“Optional Settlement Date” has the meaning given to it in Clause 9 (*Settlement of Outstanding Payments*).

“Outstanding Payments” has the meaning given to it in Clause 8 (*Cumulative optional interest deferral*).

“Outstanding Securities” mean any Securities issued in accordance with these Terms and Conditions to the extent not redeemed or otherwise discharged.

“Parent” means Dansk Landbrugs Frøelskab A.m.b.a., CVR No. 69 45 92 18, Ny Østergade 9, DK-4000 Roskilde, Denmark.

“Parity Securities” mean, in respect of the Issuer, any securities or obligations issued or owed by the Issuer (including guarantees or indemnities given by the Issuer in respect of securities or obligations owed by other persons) which rank or by their terms are expressed to rank *pari passu* with the Securities, in each case described by their respective initial issuance amount.

“Paying Agent” means Nordea Danmark, filial af Nordea Bank Abp, Finland, acting as paying agent.

“Permitted Seeds Settlement Hold Back Payment” means any payment by the Parent:

- a) required to repay the Seeds Settlement Hold Back to each member of the Parent six years after such hold back is made; and
- b) required to be made by the Parent to each member of the Parent upon exit of such member, in each case, in accordance with the provisions of the articles of association of the Parent at the Issue Date.

“Permitted Working Capital Loan Payment” means any payment in respect of a Working Capital Loan to enable the Parent to make:

- a) payments of the costs of running the activities of the Parent (taking into account the Parent’s own funds and funds from other sources available to the Parent at the time such payment is made), however provided that the aggregate of such amounts does not exceed an aggregate amount of DKK 3,000,000 in any financial year;
- b) payment of Tax; and
- c) a Permitted Seeds Settlement Hold Back Payment.

“Purchase Commission” means an annual commission payable by the Issuer to the Parent for the purchase of seeds, which commission shall not exceed two per cent. of the harvest value for a financial year and which shall only be paid to the extent that the Adjusted EBIT of the Issuer is above zero calculated immediately after such payment is made.

“Relevant Jurisdiction” means the country in which the Securities are issued, being Denmark.

“Relevant Record Date” means the date on which a Securityholder’s ownership of Securities shall be recorded in the Securities Depository as follows:

- a) in relation to payments pursuant to these Terms and Conditions, the date designated as the Relevant Record Date in accordance with the rules of the Securities Depository from time to time;
- b) for the purpose of casting a vote in a Securityholders’ Meeting, the date falling two Business Days prior to the date of that Securityholders’ Meeting being held, or another date as accepted by the Trustee; and
- c) for the purpose of casting a vote in a Written Resolution:
 - i) the date falling three Business Days after the Summons have been published; or,
 - ii) if the requisite majority in the opinion of the Trustee has been reached prior to the date set out in paragraph (i) above, on the date falling on the immediate Business Day prior to the date on which the Trustee declares that the Written Resolution has been passed with the requisite majority.

“Replacing Capital Event” means one or more issuances of equity by the Issuer during the period from (and including) the Issue Date to but (excluding) the first Reset Date the aggregate proceeds of which (net of commissions) is equal to or greater than the outstanding aggregate amount of the Securities provided that such proceeds have not been used, directly or indirectly, to repurchase or redeem, or make any payments in respect of, any shares or securities of the Issuer which rank, or by their terms are expressed to rank, *pari passu* with, or junior to, the Securities.

“Representative” shall have the meaning ascribed to it in paragraph h) of Clause 15.2 (*Procedure for arranging a Securityholders’ Meeting*).

“Reset Date” means the First Call Date, and thereafter each date which is the fourth anniversary of the First Call Date to (but excluding) the Maturity Date.

“Reset Fixed Rate” for each Interest Period from (and including) the First Call Date to (but excluding) the Maturity Date means the 4-year Swap Rate for the relevant Reset Period in which the Interest Period falls plus the Margin, as determined by the Calculation Agent.

“Reset Period” means the period from (and including) the first Reset Date to (but excluding) the following Reset Date and thereafter each period from (and including) a Reset Date to (but excluding) the next subsequent Reset Date.

“Reset Reference Banks” mean four major banks in the European inter-bank market selected by the Calculation Agent (in consultation with the Issuer).

“Securities” mean the debt instruments issued by the Issuer pursuant to these Terms and Conditions, including any Additional Securities.

“Securities Depository” means the central securities depository in which the Securities are registered, being VP SECURITIES A/S.

“Securityholder” means a person who is registered in the Securities Depository as directly registered owner or nominee holder of a Security, subject however to Clause 3.3 (*Securityholders’ rights*).

“Securityholders’ Meeting” means a meeting of Securityholders as set out in Clause 15 (*Securityholders’ decisions*).

“Seeds Settlement Hold Back” means up to five per cent. of the annual seeds settlement payments to the members of the Parent which is held back by the Parent and repaid six years after such hold back (the **“Deposited Amounts”**) together with five per cent. in attribution p.a. on such Deposited Amounts.

“Senior Creditors” mean, in respect of the Issuer, (a) the Parent in respect of the Working Capital Loans and (b) all other creditors of the Issuer other than (i) creditors whose claims are in respect of the Securities; (ii) Parity Securities; or (iii) Issuer Shares.

“Step-up Margin” means 5.00 per cent. per annum.

“Summons” means the call for a Securityholders’ Meeting or a Written Resolution as the case may be.

“Tap Issue” shall have the meaning given to it in paragraph a) of Clause 2.1 (*Amount, denomination and ISIN of the Securities*).

“Tap Issue Addendum” shall have the meaning given to it in paragraph a) of Clause 2.1 (*Amount, denomination and ISIN of the Securities*).

“Target” means PGG Wrightson Seeds Holdings Limited, a company incorporated under the laws of New Zealand with registered number 3711615.

“TARGET Day” means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system is open for the settlement of payments in euro.

“Target Shares” mean all of the shares of the Target.

“Tax” or **“Taxes”** means all or any taxes, levies, imposts, duties, charges, fees, deductions and withholdings of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) levied or imposed by any national or local governmental or public body or authority.

“Tax Event” has the meaning given to it in Clause 10.3 (*Redemption for taxation reasons*).

“Terms and Conditions” mean these terms and conditions as amended and/or supplemented from time to time.

“Trustee” means the company designated as such in the list of parties to these Terms and Conditions, or any successor, acting for and on behalf of the Securityholders in accordance with these Terms and Conditions.

“Trustee Agreement” means the agreement entered into between the Issuer and the Trustee relating among other things to the fees to be paid by the Issuer to the Trustee for its obligations relating to the Securities.

“Voting Period” shall have the meaning ascribed to it in paragraph f) of Clause 15.5 (*Written Resolutions*).

“Voting Securities” mean the Outstanding Securities less the Issuer’s Securities and a Voting Security shall mean any single one of those Securities.

“Working Capital Loans” means any and all Financial Indebtedness outstanding from time to time between the Parent as lender and the Issuer as borrower.

“Written Resolution” means a written (or electronic) solution for a decision making among the Securityholders, as set out in Clause 15.5 (*Written Resolutions*).

1.2 Construction

In these Terms and Conditions, unless the context otherwise requires:

- a) headings are for ease of reference only;
- b) words denoting the singular number will include the plural and vice versa;
- c) references to Clauses are references to the Clauses of these Terms and Conditions;
- d) references to a time are references to Central European time unless otherwise stated;
- e) references to a provision of **“law”** is a reference to that provision as amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law;
- f) references to a **“regulation”** includes any regulation, rule, official directive, request or guideline by any official body;
- g) references to Securities being **“redeemed”** means that such Securities are cancelled and discharged in the Securities Depository in a corresponding amount, and that any amounts so redeemed may not be subsequently re-issued under these Terms and Conditions;
- h) a **“person”** means any individual, firm, company, corporation, trust, consortium, limited partnership, partnership, government, agency or any other legal entity;
- i) references to Securities being **“purchased”** or **“repurchased”** by the Issuer means that such Securities may be dealt with by the Issuer as set out in Clause 10.11 (*Issuer’s purchase of Securities*).
- j) references to persons **“acting in concert”** shall be interpreted pursuant to the relevant provisions of the Capital Markets Act; and
- k) an Event of Default is **“continuing”** if it has not been remedied or waived.

2 THE SECURITIES

2.1 Amount, denomination and ISIN of the Securities

- a) The Issuer has resolved to issue a series of Securities in the maximum amount of EUR 100,000,000 (the **“Maximum Issue Amount”**). The Securities may be issued on different issue dates and the Initial Security Issue will be in the amount of EUR 90,000,000. The Issuer may at one or more occasions issue Additional Securities (each a **“Tap Issue”**) until the Nominal Amount of such Additional Securities and the Initial Security Issue equals the Maximum Issue Amount. Each Tap Issue will be subject to identical terms as the Securities issued pursuant to the Initial Security Issue in all respects as set out in these Terms and Conditions, except that Additional Securities may be issued at a different price than for the Initial Security Issue and which may be below or above the Nominal Amount. The Trustee shall prepare an addendum to these Terms and Conditions evidencing the terms of each Tap Issue (a **“Tap Issue Addendum”**).

- b) The Securities are denominated in euro (EUR), being the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.
- c) The Securities shall be registered in the Securities Depository in multiples of EUR 1,000 (nominal amount). All trades in Securities as well as the initial subscription shall be in a minimum amount of EUR 100,000. A Securityholder who, as a result of trading such amounts, holds an amount which is less than EUR 100,000 in its account with the relevant clearing system will not be able to sell the remainder of such holding without first purchasing a principal amount of the Securities at or in excess of EUR 100,000 such that its holding amounts to EUR 100,000 or above.
- d) The ISIN of the Securities is DK0030430962. All Securities issued under the same ISIN will have identical terms and conditions as set out in these Terms and Conditions.

2.2 **Transferability and title**

- 2.2.1 The Securities are freely transferable but the Securityholders may be subject to purchase or transfer restrictions with regard to the Securities under paragraph c) of Clause 2.1 (*Amount, denomination and ISIN of the Securities*) or under laws to which a Securityholder may be subject. Each Securityholder must ensure compliance with such restrictions at its own cost and expense.
- 2.2.2 Legal title to the Securities will pass by electronic registration in the book entry system and register maintained by the Securities Depository in accordance with the rules and procedures of the Securities Depository from time to time. Each Securityholder shall (except as otherwise required by law) be treated as absolute owner for all purposes and no person shall be liable for so treating such Securityholder.
- 2.2.3 The Issuer shall, to the extent permitted under applicable regulations, and the rules and procedures of the Securities Depository from time to time, have access on demand to static data and ownership of the Securityholders registered in the securities register.

2.3 **Tenor of the Securities**

The tenor of the Securities is from and including the Issue Date to (but excluding) the Maturity Date.

2.4 **Status of the Securities**

The Securities constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves.

The rights and claims of the Trustee and the Securityholders against the Issuer in respect of the Securities shall, save for such exceptions as may be provided by applicable legislation, rank behind the claims of Senior Creditors, *pari passu* with the rights and claims of holders of Parity Securities and in priority only to the rights and claims of holders of all Issuer Shares.

2.5 **No set-off**

No Securityholder, who is in the event of the liquidation or bankruptcy of the Issuer indebted to the Issuer, shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Securities held by such Securityholder.

2.6 **Use of proceeds**

The Issuer shall use the net proceeds from the Initial Security Issue to partly finance the purchase price of the Acquisition. The Issuer shall use the proceeds from the issue of any Additional Securities to partly finance or re-finance the purchase price of the Acquisition or for general corporate purposes.

3 THE SECURITYHOLDERS

3.1 Terms and Conditions binding on all Securityholders

- a) Upon registration of the Securities in the Securities Depository, the Securityholders shall be bound by these Terms and Conditions without any further action or formality being required to be taken or satisfied.
- b) The Trustee is always acting with binding effect on behalf of all the Securityholders.

3.2 Limitation of rights of action

- a) No Securityholder is entitled to take any enforcement action, instigate any insolvency procedures, or take other action against the Issuer or any other party in relation to any of the liabilities of the Issuer or any other party under or in connection with these Terms and Conditions, other than through the Trustee and in accordance with these Terms and Conditions, provided, however, that the Securityholders shall not be restricted from exercising any of their individual rights derived from these Terms and Conditions.
- b) Each Securityholder shall immediately upon request by the Trustee provide the Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Trustee), as the Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions. The Trustee is under no obligation to represent a Securityholder which does not comply with such request.

3.3 Securityholders' rights

- a) If a beneficial owner of a Security not being registered as a Securityholder wishes to exercise any rights under these Terms and Conditions, it must obtain proof of ownership of the Securities, acceptable to the Trustee.
- b) A Securityholder (whether registered as such or proven to the Trustee's satisfaction to be the beneficial owner of the Security as set out in paragraph a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Securities held or beneficially owned by such Securityholder. The Trustee shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 3.3 and may assume that it is in full force and effect, unless otherwise is apparent from its face or the Trustee has actual knowledge to the contrary.

4 ADMISSION TO LISTING

Application has been made to the Exchange for the Securities to be listed on the Exchange with an expected first day of trading on or about the Issue Date. The Issuer shall procure that the Securities remain listed on the Exchange until the Securities have been redeemed in full, unless it becomes unduly financially or practically onerous for the Issuer to have the Securities admitted to the Exchange in which case the Issuer undertakes to procure an alternative listing on a securities market or stock exchange acceptable to the Trustee and the Issuer shall notify the Securityholders about such delisting and alternative listing in accordance with Clause 19.3 (*Notices, contact information*). The Issuer undertakes to comply with the rules and regulations of the Exchange as amended from time to time as long as the Securities are listed on the Exchange.

5 REGISTRATION OF THE SECURITIES

5.1 Registration in the Securities Depository

The Securities shall be registered in dematerialised form in the Securities Depository according to the relevant securities registration legislation and the requirements of the Securities Depository.

5.2 Obligation to ensure correct registration

The Issuer will at all times ensure that the registration of the Securities in the Securities Depository is correct and shall immediately upon any amendment or variation of these Terms and Conditions give notice to the Securities Depository of any such amendment or variation.

5.3 Country of issuance

The Securities have not been issued under any other country's legislation than that of the Relevant Jurisdiction. Save for the registration of the Securities in the Securities Depository, the Issuer is under no obligation to register, or cause the registration of, the Securities in any other registry or under any other legislation than that of the Relevant Jurisdiction.

6 CONDITIONS FOR DISBURSEMENT

6.1 Conditions precedent for disbursement to the Issuer

- a) Payment of the net proceeds from the issuance of the Securities into the Escrow Account shall be conditional on the Trustee having received in due time (as determined by the Trustee) prior to the Issue Date each of the following documents, in form and substance satisfactory to the Trustee:
 - i) these Terms and Conditions duly executed by all parties thereto;
 - ii) the Trustee Agreement duly executed by all parties thereto;
 - iii) the Acquisition Agreement duly executed by all parties thereto;
 - iv) the Escrow Account Pledge duly executed by all parties thereto and perfected in accordance with applicable law;
 - v) copies of all corporate resolutions of the Issuer required for the Issuer to issue the Securities and for the Issuer to execute these Terms and Conditions;
 - vi) a copy of a power of attorney from the Issuer to relevant individuals for their execution of these Terms and Conditions, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute these Terms and Conditions on behalf of the Issuer;
 - vii) copies of the Issuer's articles of association and of a full extract from the relevant company register in respect of the Issuer evidencing that the Issuer is validly existing, and its status is normal;
 - viii) a legal opinion from the Joint Bookrunners' Danish legal counsel as may be required by the Trustee and/or the Joint Bookrunners (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of the Terms and Conditions and the Escrow Account Pledge); and
 - ix) a tax opinion from the Issuer's Danish legal counsel in form and substance satisfactory to the Joint Bookrunners.
- b) The net proceeds from the issuance of the Securities will be released from the Escrow Account and disbursed to the Issuer as soon as the Trustee has received or is satisfied that it will receive in due time (as determined by the Trustee) prior to such disbursement to the Issuer each of the following documents, in form and substance satisfactory to the Trustee:
 - i) confirmation that the Securities are registered in the Securities Depository; and
 - ii) a certificate from the Issuer confirming that the conditions (other than payment of the purchase price) to the Acquisition have been satisfied or waived and all relevant regulatory and competition approvals for the Acquisition have been obtained or waived and that the Acquisition will be completed promptly following release of the proceeds from the Escrow Account.
- c) The Trustee, acting in its reasonable discretion, may waive the deadline or the requirements for documentation set out in this Clause 6.1, or decide in its discretion that delivery of certain documents as set out in this Clause 6.1 shall be made subject to an agreed closing procedure between the Trustee and the Issuer.

6.2 Disbursement

- 6.2.1 Disbursement of the proceeds from the issuance of the Securities is conditional on the Trustee's confirmation to the Paying Agent that the conditions in Clause 6.1 (Conditions precedent for disbursement to the Issuer) have been either satisfied in the Trustee's discretion or waived by the Trustee pursuant to paragraph c) of Clause 6.1 (Conditions precedent for disbursement to the Issuer) above.

7 PAYMENTS IN RESPECT OF THE SECURITIES

7.1 Covenant to pay

- a) Without prejudice to the ability of the Issuer to elect to defer interest payments pursuant to Clause 8 (*Cumulative optional interest deferral*), the Issuer will unconditionally make available to or to the order of the Trustee and/or the Paying Agent all amounts due on each Interest Payment Date pursuant to the terms of these Terms and Conditions at such times and to such accounts as specified by the Trustee and/or the Paying Agent in advance of each Interest Payment Date or when other payments are due and payable pursuant to these Terms and Conditions.
- b) All payments to the Securityholders in relation to the Securities shall be made to each Securityholder registered as such in the Securities Depository at the Relevant Record Date, by, if no specific order is made by the Trustee, crediting the relevant amount to the bank account nominated by such Securityholder in connection with its securities account in the Securities Depository.
- c) Payment constituting good discharge of the Issuer's payment obligations to the Securityholders under these Terms and Conditions will be deemed to have been made to each directly registered Securityholder once the amount has been credited to the bank holding the bank account nominated by the Securityholder in connection with its securities account in the Securities Depository. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Securityholder in question.
- d) If an Interest Payment Date or a date for other payments to the Securityholders pursuant to these Terms and Conditions falls on a day on which either of the relevant Securities Depository settlement system or the relevant currency settlement system for the Securities are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary have been set out for such payment in these Terms and Conditions.

7.2 Payments subject to fiscal laws

All payments in respect of the Securities are subject in all cases to (1) any applicable fiscal or other laws and regulations and (2) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Section 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof ("**FATCA**") or any law implementing an intergovernmental approach to FATCA, but without prejudice to the provisions of Clause 11 (*Taxation*). No commissions or expenses shall be charged to the Securityholders in respect of such payments.

7.3 Interest and payment dates

From (and including) the Issue Date to (but excluding) 27 November 2022 (the "**First Call Date**"), the Securities bear interest at a rate corresponding to the First Fixed Rate.

From (and including) the First Call Date to (but excluding) the next subsequent Reset Date and thereafter from (and including) each Reset Date to (but excluding) the next subsequent Reset Date and from (and including) the last Reset Date prior to the Maturity Date to (but excluding) the Maturity Date, the Securities bear interest at the relevant Reset Fixed Rate for the relevant Interest Period.

During each such period, interest is scheduled to be paid annually in arrear on 27 November in each year, commencing on 27 November 2019 (each an “**Interest Payment Date**”), and will be due and payable in accordance with Clauses 8 (*Cumulative optional interest deferral*) and 9 (*Settlement of Outstanding Payments*). If any Interest Payment Date would otherwise fall on a day which is not a Business Day, the relevant payment shall be made on the next day which is a Business Day. No further interest or other payment will be made as a consequence of the postponement.

Where interest is to be calculated in respect of any period (from (and including) the first such day to (but excluding) the last) (the “**Calculation Period**”) which is equal to or shorter than the Determination Period during which it falls, the day count fraction used will be calculated on the basis of the number of days in the Calculation Period divided by the number of days in such Determination Period (Act/Act), where “**Determination Period**” means each period from (and including) 27 November in any year, to (but excluding) the next 27 November. For the avoidance of doubt, the first Determination Period will be period from and including 27 November 2018 to (but excluding) 27 November 2019.

7.4 **Cessation of interest accrual**

Each Security will cease to bear interest from the due date for redemption unless payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest in accordance with this Clause 7 (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Security up to that day are received by or on behalf of the relevant Securityholder, and (ii) the day seven days after the Trustee or the Paying Agent has notified Securityholders of receipt of all sums due in respect of all the Securities up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Terms and Conditions).

7.5 **Determination or calculation by Trustee**

Without prejudice and subject to Clause 7.6 (*Reset Reference Banks and Calculation Agent*) below, if the Calculation Agent, at any time for any reason, does not determine the relevant Reset Fixed Rate, as applicable, for any Interest Period, the Trustee (or an agent appointed by it) may do so without liability therefor and any such determination shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee (or such agent appointed by it) shall apply the foregoing provisions of this Clause 7, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in such manner as it shall deem fair and reasonable in all the circumstances.

7.6 **Reset Reference Banks and Calculation Agent**

The Issuer will procure that, so long as any Security is outstanding, there shall at all times be identified a number of Reset Reference Banks (where the relevant Reset Fixed Rate, as applicable, is to be calculated by reference to them) and a Calculation Agent for the purposes of the Securities. If any such bank (acting through its relevant office) is unable or unwilling to continue to act as a Reset Reference Bank, the Issuer shall (with the prior approval in writing of the Trustee) appoint another leading bank engaged in the Euro-zone interbank market to act as such in its place. If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent or if the Calculation Agent fails to establish the relevant Reset Fixed Rate for any Reset Period, the Issuer shall (with the prior approval in writing of the Trustee, unless the Calculation Agent is the same legal entity as the Trustee) appoint a recognised bank with a presence in the Nordic markets or other entity to act as such in its place. The Calculation Agent may not resign its duties without a successor having been so appointed.

7.7 **Notifications etc. to be binding**

All notifications, opinions, determinations, certifications, conditions, quotations and decisions given, expressed, made or obtained for the purposes of this Clause 7, whether by the Calculation Agent, the Paying Agent or the Trustee (or its agent), shall (in the absence of wilful default, fraud or manifest error) be binding on the Issuer, the Calculation Agent, the Trustee, the Paying Agent and on all Securityholders and (in the absence of the aforesaid)

no liability to the Securityholders or the Issuer shall attach to the Calculation Agent, the Paying Agent or the Trustee in connection with the exercise or non-exercise by them of any of their powers, duties or discretions.

8 CUMULATIVE OPTIONAL INTEREST DEFERRAL

Interest which accrues during an Interest Period ending on (but excluding) an Interest Payment Date will be due and payable on that Interest Payment Date, unless the Issuer, by giving notice to the Securityholders in accordance with Clause 19.3 (*Notices, contact information*), the Calculation Agent, the Paying Agent and the Trustee, not less than 15 Business Days prior to the relevant Interest Payment Date (an “**Optional Deferral Notice**”), elects to defer the relevant interest payment in whole but not in part.

If the Issuer elects not to pay accrued interest on an Interest Payment Date, it will not have any obligation to pay interest on such Interest Payment Date.

Each such interest payment that is not due and payable in accordance with this Clause 8 due to an election made by the Issuer shall be referred to as a “**Deferred Payment**”. Any such Deferred Payment will bear interest at the then current rate of interest on the Securities from (and including) the Interest Payment Date on which such Deferred Payment would otherwise than by reason of the operation of this Clause 8 become due to (but excluding) the date on which the Deferred Payment is satisfied in accordance with Clause 9 (*Settlement of Outstanding Payments*) or cancelled in accordance with the second sentence of Clause 10.1 (*Maturity Date*). The non-payment of any interest deferred by the giving of any Optional Deferral Notice in respect thereof shall not constitute an Event of Default (as defined in Clause 13 (*Event of Default*)) or otherwise constitute a default of the Issuer or any other breach of its obligations under the Securities or for any other purpose or be subject to enforcement (in accordance with Clause 13 (*Event of Default*)) until such time as such interest shall have become due under Clause 9 (*Settlement of Outstanding Payments*) and remain unpaid.

If there are several amounts of Deferred Payment they shall accumulate until paid in full on the Optional Settlement Date.

The amount of any Deferred Payments, together with any interest accrued thereon, shall constitute “**Outstanding Payments**” from the day following the Interest Payment Date on which such Deferred Payment would have become due if the interest had not been deferred pursuant to this Clause 8.

9 SETTLEMENT OF OUTSTANDING PAYMENTS

9.1 Optional Settlement of Outstanding Payments

The Issuer will be entitled to pay Outstanding Payments in whole (but not in part) at any time by giving notice to the Securityholders in accordance with Clause 19.3 (*Notices, contact information*), the Calculation Agent, the Paying Agent and the Trustee, not less than 15 Business Days prior to the date fixed by the Issuer for such payment (the “**Optional Settlement Date**”) which notice shall be irrevocable and shall specify (x) the amount of Outstanding Payments to be paid and (y) the Optional Settlement Date.

Upon such notice being given, the amount of Outstanding Payments specified in the relevant notice will become due and payable to the Securityholders recorded in the Securities Depository on the Relevant Record Date in respect of a payment on the Optional Settlement Date, and the Issuer shall pay such amount of Outstanding Payments in accordance with paragraph b) of Clause 7.1 (*Covenant to pay*) on the specified Optional Settlement Date.

9.2 Mandatory Settlement of Outstanding Payments.

The Issuer must pay all Outstanding Payments (in whole but not in part) then outstanding on any Mandatory Settlement Date.

10 REDEMPTION AND PURCHASE

10.1 Maturity Date

If not redeemed or purchased and cancelled earlier, the Securities will be redeemed on the Maturity Date at their Nominal Amount together with accrued interest in respect of the Interest Period ending on (but excluding) the Maturity Date. Any Outstanding Payments shall automatically be cancelled on the Maturity Date. The Securities may not be redeemed at the option of the Issuer other than in accordance with this Clause 10.

10.2 Redemption at the option of the Issuer

On giving not less than 30 nor more than 60 days' notice (an "**Optional Redemption Notice**") to the Trustee and the Securityholders in accordance with Clause 19.3 (*Notices, contact information*), the Issuer may redeem all but not some only of the Securities on the First Call Date or on any Interest Payment Date thereafter as specified in the Optional Redemption Notice at their Nominal Amount (together with interest accrued to (but excluding) the relevant call date and any Outstanding Payments).

10.3 Redemption for taxation reasons

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable) in accordance with Clause 19.3 (*Notices, contact information*), if:

- a) the Issuer satisfies the Trustee prior to the giving of such notice by providing an opinion of a recognised tax counsel or tax adviser satisfactory to the Trustee (upon which the Trustee shall be entitled to rely without liability) stating that:
 - i) the Issuer either has or will become obliged to pay Additional Amounts as provided or referred to in Clause 11 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Denmark or any political sub-division or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, in which case the Issuer will be entitled to redeem each Security at its Nominal Amount (together with interest accrued to (but excluding) the date fixed for redemption and any Outstanding Payments); or
 - ii) the Issuer's treatment of items of expense with respect to the Securities as deductible interest expense for Danish tax purposes as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Issuer will not be respected by a taxing authority, which subjects the Issuer to more than a *de minimis* amount of additional taxes, duties or governmental charges, in which case the Issuer will be entitled to redeem the Securities (i) prior to the First Call Date, at their Early Redemption Amount (together with interest accrued to (but excluding) the date fixed for redemption and any Outstanding Payments) and (ii) on or after the First Call Date at their Nominal Amount (together with interest accrued to (but excluding) the date fixed for redemption and any Outstanding Payments),(each, a "**Tax Event**"), and

- b) such Tax Event cannot be avoided by the Issuer taking reasonable measures available to it, provided that in the case of paragraph a)i) of this Clause 10.3 no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Securities then due. Prior to the publication of any notice of redemption pursuant to this Clause 10.3, the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer stating that the obligation referred to in paragraph a) of this Clause 10.3 cannot be avoided by the Issuer taking reasonable measures available to it and the Trustee shall be entitled to accept and rely without liability on such certificate as sufficient evidence of the satisfaction of the condition precedent set out in paragraph b) of this Clause 10.3 in which event it shall be conclusive and binding on the Securityholders.

10.4 **Redemption for accounting reasons**

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable) in accordance with Clause 19.3 (*Notices, contact information*), (i) prior to the First Call Date, at their Early Redemption Amount (together with interest accrued to (but excluding) the date fixed for redemption and any Outstanding Payments) and (ii) on or after the First Call Date, at their Nominal Amount, (together with interest accrued to (but excluding) the date fixed for redemption and any Outstanding Payments), if a recognised accountancy firm satisfactory to the Trustee, acting upon instructions of the Issuer (and at the Issuer's expense), has delivered an opinion to the Trustee (upon which the Trustee shall be entitled to rely without liability), stating that as a result of a change in accounting principles (or the application thereof) since the Issue Date the obligations of the Issuer in respect of the Securities may not or may no longer be recorded as "equity" in the consolidated financial statements of the Issuer pursuant to the Accounting Principles or any other accounting principles that may replace the Accounting Principles for the purposes of preparing the annual consolidated financial statements of the Issuer.

10.5 **Redemption due to failure to consummate the Acquisition**

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time where the conditions precedent set out in Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) have not been fulfilled on giving not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable) in accordance with Clause 19.3 (*Notices, contact information*), at their Early Redemption Amount (together with interest accrued to (but excluding) the date fixed for redemption and any Outstanding Payments), if the Issuer (i) satisfies the Trustee prior to the giving of such notice by providing an opinion of a recognised legal counsel satisfactory to the Trustee (upon which the Trustee shall be entitled to rely without liability) stating that the Issuer is not under an obligation to complete or pursue a completion of the Acquisition and (ii) confirms in a certificate delivered to the Trustee signed by two directors of the Issuer that the Issuer is no longer pursuing the consummation of the Acquisition.

10.6 **Redemption due to a Replacing Capital Event**

Upon the occurrence of a Replacing Capital Event, the Issuer may at any time prior to the date falling 180 days after the occurrence of such Replacing Capital Event, if it gives not less than 30 nor more than 60 days' notice to the Trustee and the Securityholders (which notice shall be irrevocable) in accordance with Clause 19.3 (*Notices, contact information*), redeem the Securities in whole, but not in part, at 103.00 per cent. of their Nominal Amount (together with interest accrued to (but excluding) the date fixed for redemption and any Outstanding Payments).

10.7 **Redemption due to a Change of Control Event**

Upon the occurrence of a Change of Control Event, the Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders from the date of such Change of Control Event (which notice shall be irrevocable) in accordance with Clause 19.3 (*Notices, contact information*), at their Early Redemption Amount (together with interest accrued to (but excluding) the date fixed for redemption and any Outstanding Payments).

If such notice is not published within such 60 days of the Change of Control Event occurring, the Issuer will notify the Trustee and the Securityholders, no later than 60 days following the effective Change of Control Event specifying the nature of the Change of Control Event, the circumstances giving rise to it and the date on which it became effective.

If after the occurrence of a Change of Control Event the Issuer has not redeemed the Securities within 60 days after the date of the Change of Control Event, the Interest Rate applicable to the Securities (including any amount of current or future Deferred Payments) shall be increased by an additional margin of 5.00 per cent. per annum. This increase shall become effective on the date which is 60 days after the date of the Change of Control Event.

10.8 **Redemption for a minimum outstanding principal amount**

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable) in accordance with Clause 19.3 (*Notices, contact information*) at their principal amount (together with interest accrued to but excluding the date fixed for redemption and any Outstanding Payments), if the Issuer or any Affiliate of the Issuer has purchased and holds and/or has cancelled Securities with an aggregate principal amount of equal to or greater than 80 per cent. of the initial aggregate principal amount of the Securities.

10.9 **Mandatory early redemption at the Longstop Date**

In the event that the conditions precedent set out in Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) have not been fulfilled within the Longstop Date, the Issuer shall immediately redeem the Securities at their Early Redemption Amount (together with interest accrued to (but excluding) the date fixed for redemption and any Outstanding Payments), by, *inter alia*, applying the funds deposited on the Escrow Account for such redemption.

10.10 **Notice of redemption**

Where a notice of redemption is given under this Clause 10 all Securities shall be redeemed on the date specified in such notice in accordance with this Clause 10.

10.11 **Issuer's purchase of Securities**

The Issuer and any Affiliate of the Issuer may when there are no unsatisfied Outstanding Payments purchase and hold Securities at any time subsequent to the Issue Date and such Securities may be retained, sold or cancelled in the Issuer's sole discretion.

10.12 **Currency**

All amounts payable under these Terms and Conditions shall be payable in the denomination of the Securities set out in Clause 2.1 (*Amount, denomination and ISIN of the Securities*). If, however, the denomination differs from the currency of the bank account connected to the Securityholder's account in the Securities Depository, any cash settlement may be exchanged and credited to this bank account.

11 **TAXATION**

All payments in respect of the Securities by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future Taxes imposed or levied by or on behalf of the Kingdom of Denmark or any political subdivision of, or any authority in, or of, the Kingdom of Denmark having power to tax, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Securityholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Securities in the absence of the withholding or deduction (such amounts being "**Additional Amounts**"), except that no Additional Amounts shall be payable in relation to any payment in respect of any Securities to, or to a third party on behalf of, a Securityholder who is liable to Taxes in respect of the Securities by reason of its having some connection with the Kingdom of Denmark other than the mere holding of the Security.

12 INFORMATION UNDERTAKINGS

12.1 Information from the Issuer

12.1.1 Financial Reports

- a) The Issuer shall prepare Annual Financial Statements in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 120 days after the end of the financial year.
- b) The Issuer shall prepare Interim Accounts in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 60 days after the end of the relevant interim period.

12.1.2 Requirements as to Financial Reports

- a) The Issuer shall procure that the Financial Reports delivered pursuant to Clause 12.1.1 (*Financial Reports*) are prepared using the Accounting Principles.
- b) The Annual Financial Statements shall include a profit and loss account, balance sheet and cash flow statement prepared for the Group.

12.1.3 Information: miscellaneous

The Issuer shall:

- a) promptly inform the Trustee in writing of any Event of Default or any event or circumstance which the Issuer understands or could reasonably be expected to understand is likely to lead to an Event of Default, and in each case provide the Trustee with such further information as the Trustee may reasonably request following receipt of such notice;
- b) at the request of the Trustee, report the balance of the Issuer's Securities (to the best of its knowledge, having made due and appropriate enquiries);
- c) send the Trustee copies of any statutory notifications of the Issuer, including but not limited to in connection with mergers, de-mergers and reduction of the Issuer's share capital or equity;
- d) if the Securities are listed on an Exchange, send a copy to the Trustee of its notices to the Exchange;
- e) inform the Trustee of changes in the registration of the Securities in the Securities Depository;
- f) as long as there is an Outstanding Payment, annually at the same time as the Annual Financial Statements are made available, inform the Trustee in writing of any Permitted Working Capital Loan Payment, payment of Purchase Commission and/or Permitted Seeds Settlement Hold Back Payment made during the financial year covered by the relevant Annual Financial Statements together with calculations supporting the qualification of such payments;
- g) within a reasonable time, provide such information about the Issuer's and the Group's business, assets and financial condition as the Trustee may reasonably request, subject to applicable securities trading rules and regulations; and
- h) notify the Trustee and the Securityholders of a Change of Control Event in accordance with Clause 10.7 (*Redemption due to a Change of Control Event*).

12.2 Information from the Trustee

The Trustee is entitled to disclose to the Securityholders any event or circumstance directly or indirectly relating to the Issuer or the Securities. The Trustee shall notify the Securityholders of an Event of Default within 10 Business Days of the date on which the Trustee received actual knowledge that an Event of Default has occurred and is

continuing. Notwithstanding the foregoing: (i) the Trustee will be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default and the time period referred to in the preceding sentence shall only commence when the Trustee has determined that an Event of Default has occurred and is continuing; and (ii) the Trustee may delay disclosure or refrain from disclosing information to the Securityholders if it considers it to be beneficial to the interests of the Securityholders to do so.

12.3 **Publication of these Terms and Conditions**

- a) The Issuer shall keep the Terms and Conditions available on its website.
- b) The Terms and Conditions shall be available to the Securityholders at the office of the Trustee for inspection during normal business hours or available on its website.

13 **EVENT OF DEFAULT**

13.1 **Default and liquidation**

- 13.1.1 Subject to Clause 8 (*Cumulative optional interest deferral*), if the Issuer fails to pay any interest on any of the Securities when due (an “**Event of Default**”), the Trustee at its discretion may, and if so instructed by Securityholders in accordance with Clause 15 (*Securityholders’ decisions*) shall, subject in each case to it being indemnified and/or secured and/or pre-funded to its satisfaction, by written notice addressed to the Issuer, take such steps or actions or institute proceedings to obtain payment of the amounts due or take such steps or actions or institute proceedings in the Kingdom of Denmark (but not elsewhere) for the bankruptcy (in Danish: *konkurs*) of the Issuer, provided that no amount in respect of the Securities shall, as a result of such proceedings, be or become payable sooner than the same would otherwise have been payable by the Issuer had no such proceedings been instituted.

- 13.1.2 On a bankruptcy of the Issuer, each Security shall entitle the holder thereof to claim for an amount equal to the Nominal Amount of such Security plus all accrued but unpaid interest in respect of the then current Interest Period and Outstanding Payments, if any, subject to Clause 2.4 (*Status of the Securities*).

13.2 **Breach of obligations**

Subject to Clause 8 (*Cumulative optional interest deferral*), the Trustee may at its discretion institute such steps, actions or proceedings against the Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Issuer under these Terms and Conditions (other than as provided in Clause 13.1 (*Default and liquidation*)); provided that:

- a) without prejudice to Clause 13.1.2, the Issuer shall not by virtue of the institution of any such steps, actions or proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it; and
- b) the Trustee shall not be obligated to take any steps or actions or to institute proceedings unless it has been directed or requested to do so and indemnified and/or secured and/or pre-funded to its satisfaction as described under Clause 13.1 (*Default and liquidation*).

The proviso to this Clause 13.2 shall not apply to amounts due to the Trustee in its personal capacity under the Trustee Agreement.

13.3 **Other remedies and rights of Securityholders**

No remedy against the Issuer, other than the institution of the proceedings or the taking of steps or actions by the Trustee referred to in Clauses 13.1 (*Default and liquidation*) and 13.2 (*Breach of obligations*) or the proving or claiming in any liquidation, bankruptcy or dissolution of the Issuer, shall be available to the Trustee or the Securityholders whether for the recovery of amounts owing in respect of the Securities or in respect of any breach by the Issuer of any other obligation, condition, undertaking or provision binding on it under the Securities, provided

that the proviso to Clause 13.2 (*Breach of obligations*) shall apply to this Clause 13.3 and includes reference to proving or claiming in the liquidation, bankruptcy or dissolution of the Issuer.

14 ENFORCEMENT

At any time after the Securities become due and payable and subject to Clause 13 (*Event of Default* Clause 13 ()), the Trustee may, at its discretion and without further notice, institute such steps, actions or proceedings against the Issuer as it may think fit to enforce the terms of these Terms and Conditions, but it need not take any such steps, actions or proceedings unless (a) it shall have been so directed by the Securityholders in accordance with Clause 15 (*Securityholders' decisions*), and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

15 SECURITYHOLDERS' DECISIONS

15.1 Authority of the Securityholders' Meeting

- a) A Securityholders' Meeting may, on behalf of the Securityholders, resolve to alter any of these Terms and Conditions, including, but not limited to, any reduction of principal or interest and any conversion of the Securities into other capital classes.
- b) The Securityholders' Meeting may not adopt resolutions which will give certain Securityholders an unreasonable advantage at the expense of other Securityholders.
- c) Subject to the power of the Trustee to take certain action as set out in Clause 16.1 (*Power to represent the Securityholders*), if a resolution by, or an approval of, the Securityholders is required, such resolution may be passed at a Securityholders' Meeting. Resolutions passed at any Securityholders' Meeting will be binding upon all Securityholders.
- d) At least 50 per cent. of the Voting Securities must be represented at a Securityholders' Meeting for a quorum to be present.
- e) Resolutions will be passed by simple majority of the Voting Securities represented at the Securityholders' Meeting, unless otherwise set out in paragraph f) below.
- f) Save for any amendments or waivers which can be made without resolution pursuant to paragraphs a) and b) of Clause 17.1 (*Procedure for amendments and waivers*), a majority of at least 2/3 of the Voting Securities represented at the Securityholders' Meeting is required for approval of:
 - i) an amendment to Clause 2.4 (*Status of the Securities*);
 - ii) a change of a Reset Date or Interest Payment Date or any other terms relating to redemption, interest, reduction or cancellation of the amount payable and change of the currency in which payments under the Securities are to be made;
 - iii) a change of the Issuer; and
 - iv) an amendment to this Clause 15.

15.2 Procedure for arranging a Securityholders' Meeting

- a) A Securityholders' Meeting shall be convened by the Trustee upon the request in writing of:
 - i) the Issuer;
 - ii) Securityholders representing at least 1/10 of the Voting Securities;
 - iii) the Exchange, if the Securities are listed and the Exchange is entitled to do so pursuant to the general rules and regulations of the Exchange; or
 - iv) the Trustee.

The request shall clearly state the matters to be discussed and resolved.

- b) If the Trustee has not convened a Securityholders' Meeting within ten Business Days after having received a valid request for calling a Securityholders' Meeting pursuant to paragraph a) above, then the requesting party may itself call the Securityholders' Meeting.
- c) Summons to a Securityholders' Meeting must be sent no later than ten Business Days prior to the proposed date of the Securityholders' Meeting. The Summons shall be sent to all Securityholders registered in the Securities Depository at the time the Summons is sent from the Securities Depository. If the Securities are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on the website of the Trustee (alternatively by press release or other relevant information platform).
- d) Any Summons for a Securityholders' Meeting must clearly state the agenda for the Securityholders' Meeting and the matters to be resolved. The Trustee may include additional agenda items to those requested by the person calling for the Securityholders' Meeting in the Summons. If the Summons contains proposed amendments to these Terms and Conditions, a description of the proposed amendments must be set out in the Summons.
- e) Items which have not been included in the Summons may not be put to a vote at the Securityholders' Meeting.
- f) By written notice to the Issuer, the Trustee may prohibit the Issuer from acquiring or dispose of Securities during the period from the date of the Summons until the date of the Securityholders' Meeting.
- g) A Securityholders' Meeting may be held on premises selected by the Trustee, or if paragraph (b) above applies, by the person convening the Securityholders' Meeting (however to be held in the capital of the Relevant Jurisdiction). The Securityholders' Meeting will be opened and, unless otherwise decided by the Securityholders' Meeting, chaired by the Trustee. If the Trustee is not present, the Securityholders' Meeting will be opened by a Securityholder and be chaired by a representative elected by the Securityholders' Meeting.
- h) Each Securityholder, the Trustee and, if the Securities are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Securityholder, shall have the right to attend the Securityholders' Meeting (each a "**Representative**"). The chair of the Securityholders' Meeting may grant access to the meeting to other persons not being Representatives, unless the Securityholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt with regard to whether a person is a Representative or entitled to vote, the chair of the Securityholders' Meeting will decide who may attend the Securityholders' Meeting and exercise voting rights.
- i) Representatives of the Issuer have the right to attend the Securityholders' Meeting. The Securityholders' Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Securities (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.
- j) Minutes of the Securityholders' Meeting must be recorded by, or by someone acting at the instruction of, the chair of the Securityholders' Meeting. The minutes must state the number of Voting Securities represented at the Securityholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Securityholders' Meeting. The minutes shall be signed by the chair of the Securityholders' Meeting and at least one other person. The minutes will be deposited with the Trustee who shall make available a copy to the Securityholders and the Issuer upon request.
- k) The Trustee will ensure that the Issuer, the Securityholders and the Exchange are notified of resolutions passed at the Securityholders' Meeting and that the resolutions are published on the website of the Trustee (or other relevant electronically platform or press release).
- l) The Issuer shall bear the costs and expenses incurred in connection with convening a Securityholders' Meeting regardless of who has convened the Securityholders' Meeting, including any reasonable costs and fees incurred by the Trustee, but the Securityholders shall bear their own costs and expenses related to any travelling or accommodation.

15.3 Voting rules

- a) Each Securityholder (or person acting for a Securityholder under a power of attorney) may cast one vote for each Voting Security owned on the Relevant Record Date, cf. Clause 3.3 (*Securityholders' rights*). The chair of the Securityholders' Meeting may, in its sole discretion, decide on accepted evidence of ownership of Voting Securities.
- b) Issuer's Securities shall not carry any voting rights. The chair of the Securityholders' Meeting shall determine any question concerning whether any Securities will be considered Issuer's Securities.
- c) For the purposes of this Clause 15, a Securityholder that has a Security registered in the name of a nominee will, in accordance with Clause 3.3 (*Securityholders' rights*), be deemed to be the owner of the Security rather than the nominee. No vote may be cast by any nominee if the Securityholder has presented relevant evidence to the Trustee pursuant to Clause 3.3 (*Securityholders' rights*) stating that it is the owner of the Securities voted for. If the Securityholder has voted directly for any of its nominee registered Securities, the Securityholder's votes shall take precedence over votes submitted by the nominee for the same Securities.
- d) Any of the Issuer, the Trustee and any Securityholder has the right to demand a vote by ballot. In case of parity of votes, the chair of the Securityholders' Meeting will have the deciding vote.

15.4 Repeated Securityholders' Meeting

- a) Even if the necessary quorum set out in paragraph d) of Clause 15.1 (*Authority of the Securityholders' Meeting*) is not achieved, the Securityholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Securityholders' Meeting. The Trustee or the person who convened the initial Securityholders' Meeting may, within ten Business Days of that Securityholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.
- b) The provisions and procedures regarding Securityholders' Meetings as set out in Clause 15.1 (*Authority of the Securityholders' Meeting*), Clause 15.2 (*Procedure for arranging a Securityholders' Meeting*) and Clause 15.3 (*Voting rules*) shall apply *mutatis mutandis* to a repeated Securityholders' Meeting, with the exception that the quorum requirements set out in paragraph d) of Clause 15.1 (*Authority of the Securityholders' Meeting*) shall not apply to a repeated Securityholders' Meeting. A Summons for a repeated Securityholders' Meeting shall also contain the voting results obtained in the initial Securityholders' Meeting.
- c) A repeated Securityholders' Meeting may only be convened once for each original Securityholders' Meeting. A repeated Securityholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 15.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Securityholders' Meeting in accordance with Clause 15.2 (*Procedure for arranging a Securityholders' Meeting*) and vice versa.

15.5 Written Resolutions

- a) Subject to these Terms and Conditions, anything which may be resolved by the Securityholders in a Securityholders' Meeting pursuant to Clause 15.1 (*Authority of the Securityholders' Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Securityholders in a Securityholders' Meeting.
- b) The person requesting a Securityholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Trustee decides otherwise.
- c) The Summons for the Written Resolution shall be sent to the Securityholders registered in the Securities Depository at the time the Summons is sent and published at the Trustee's web site, or other relevant electronic platform or via press release.
- d) The provisions set out in Clause 15.1 (*Authority of the Securityholders' Meeting*), 15.2 (*Procedure for arranging a Securityholders' Meeting*), Clause 15.3 (*Voting rules*) and Clause 15.4 (*Repeated Securityholders' Meeting*) shall apply *mutatis mutandis* to a Written Resolution, except that:

- i) the provisions set out in paragraphs g), h) and i) of Clause 15.2 (*Procedure for arranging a Securityholders' Meeting*); or
 - ii) provisions which are otherwise in conflict with the requirements of this Clause 15.5 (*Written Resolutions*), shall not apply to a Written Procedure.
- e) The Summons for a Written Resolution shall include:
 - i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and
- f) the time limit within which the Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority (the "**Voting Period**"), such Voting Period to be at least three Business Days but not more than 15 Business Days from the date of the Summons, provided however that the Voting Period for a Written Resolution summoned pursuant to Clause 15.4 (*Repeated Securityholders' Meeting*) shall be at least ten Business Days but not more than 15 Business Days from the date of the Summons.
- g) Only Securityholders of Voting Securities registered with the Securities Depository on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Trustee pursuant to Clause 3.3 (*Securityholders' rights*), will be counted in the Written Resolution.
- h) A Written Resolution is passed when:
 - i) the requisite quorum set out in paragraph d) of Clause 15.1 (*Authority of the Securityholders' Meeting*) has been achieved; and
 - ii) the requisite majority set out in paragraph e) or paragraph f) of Clause 15.1 (*Authority of the Securityholders' Meeting*) has been achieved, based on the total number of Voting Securities, even if the Voting Period has not yet expired. A Written Resolution may also be passed if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.
- i) The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Securityholder that results in the necessary voting majority being achieved.
- j) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the close of business on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs d) to f) of Clause 15.1 (*Authority of the Securityholders' Meeting*).

16 THE TRUSTEE

16.1 Power to represent the Securityholders

- a) The Issuer appoints the Trustee to act as Trustee (in Danish: *repræsentant*) of the Securityholders pursuant to Chapter 4 of the Capital Markets Act. The Trustee accepts such appointment. The Trustee shall be registered with the Danish Financial Supervisory Authority in accordance with the Capital Markets Act and the Issuer and the Trustee shall provide all information required by the Danish Financial Supervisory Authority.
- b) By virtue of being registered as a Securityholder (directly or indirectly) with the Securities Depository, the Securityholders are bound by these Terms and Conditions, without any further action required to be taken or formalities to be complied with. The Trustee has power and authority to act on behalf of, and/or represent, the Securityholders in all matters, including but not limited to taking any legal or other action, including enforcement of these Terms and Conditions, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.
- c) The Issuer shall promptly upon request provide the Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Trustee), that the Trustee deems necessary for the purpose of exercising its and the Securityholders' rights and/or carrying out its duties under these Terms and Conditions.

16.2 The duties and authority of the Trustee

- a) The Trustee shall represent the Securityholders in accordance with these Terms and Conditions, including, *inter alia*, by following up on the delivery of any documents which the Issuer is obliged to disclose or deliver to the Trustee pursuant to these Terms and Conditions and, when relevant, in relation to accelerating and enforcing the Securities on behalf of the Securityholders.
- b) The Trustee is not obligated to assess or monitor the financial condition of the Issuer unless to the extent expressly set out in these Terms and Conditions, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Trustee is entitled to assume that no Event of Default has occurred. The Trustee is not responsible for the valid execution or enforceability of these Terms and Conditions, or for any discrepancy between the indicative terms and conditions described in any marketing material presented to the Securityholders prior to issuance of the Securities and the provisions of these Terms and Conditions.
- c) The Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Securityholders in all matters pursuant to these Terms and Conditions. The Trustee may submit any instructions received by it from the Securityholders to a Securityholders' Meeting before the Trustee takes any action pursuant to the instruction.
- d) The Trustee is entitled to engage external experts when carrying out its duties under these Terms and Conditions.
- e) The Trustee shall hold all amounts recovered on behalf of the Securityholders on separated accounts.
- f) The Trustee will ensure that resolutions passed at the Securityholders' Meeting are properly implemented, provided, however, that the Trustee may refuse to implement resolutions that may be in conflict with these Terms and Conditions or any applicable law.
- g) Notwithstanding any other provision of these Terms and Conditions to the contrary, the Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- h) If the cost, loss or liability which the Trustee may incur (including reasonable fees payable to the Trustee itself) in:
 - i) complying with instructions of the Securityholders; or
 - ii) taking any action at its own initiative,will not, in the reasonable opinion of the Trustee, be covered by the Issuer or the relevant Securityholders pursuant to paragraphs e) and g) of Clause 16.4 (*Expenses, liability and indemnity*), the Trustee may refrain from acting in accordance with such instructions, or refrain from taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.
- i) The Trustee shall give a notice to the Securityholders before it ceases to perform its obligations under these Terms and Conditions by reason of the non-payment by the Issuer of any fee or indemnity due to the Trustee under the Trustee Agreement and these Terms and Conditions.

16.3 Equality and conflicts of interest

- a) The Trustee shall not make decisions which will give certain Securityholders an unreasonable advantage at the expense of other Securityholders. The Trustee shall, when acting pursuant to these Terms and Conditions, act with regard only to the interests of the Securityholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in these Terms and Conditions.
- b) The Trustee may act as agent, trustee, representative and/or security agent for several security issues relating to the Issuer notwithstanding potential conflicts of interest. The Trustee is entitled to delegate its duties to other professional parties.

16.4 Expenses, liability and indemnity

- a) The Trustee will not be liable to the Securityholders for damage or loss caused by any action taken or omitted by it under or in connection with these Terms and Conditions, unless directly caused by its gross negligence or wilful misconduct. The Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Trustee shall have no liability to the Securityholders for damage caused by the Trustee acting in accordance with instructions given by the Securityholders in accordance with these Terms and Conditions.
- b) Any liability for the Trustee for damage or loss is limited to the amount of the Outstanding Securities. The Trustee is not liable for the content of information provided to the Securityholders by or on behalf of the Issuer or any other person.
- c) The Trustee shall not be considered to have acted negligently if it has:
 - i) acted in accordance with advice from or opinions of reputable external experts; or
 - ii) acted with reasonable care in a situation when the Trustee considers that it is detrimental to the interests of the Securityholders to delay any action.
- d) The Issuer is liable for, and will indemnify the Trustee fully in respect of, all losses, expenses and liabilities incurred by the Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the Trustee's obligations under these Terms and Conditions, including losses incurred by the Trustee as a result of the Trustee's actions based on misrepresentations made by the Issuer in connection with the issuance of the Securities, the entering into or performance under these Terms and Conditions, and for as long as any amounts are outstanding under or pursuant to these Terms and Conditions.
- e) The Issuer shall cover all costs and expenses incurred by the Trustee in connection with it fulfilling its obligations under these Terms and Conditions. The Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in these Terms and Conditions. The Trustee's obligations under these Terms and Conditions are conditioned upon the due payment of such fees and indemnifications. The fees of the Trustee will be further set out in the Trustee Agreement.
- f) The Issuer shall on demand by the Trustee pay all costs incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or any of these Terms and Conditions which the Trustee reasonably believes may constitute or lead to a breach of any of these Terms and Conditions or otherwise be detrimental to the interests of the Securityholders under these Terms and Conditions.
- g) Fees, costs and expenses payable to the Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being insolvent, may be covered by making an equal reduction in the proceeds to the Securityholders hereunder of any costs and expenses incurred by the Trustee in connection therewith. The Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the Issuer or any other person, and to set-off and cover any such costs and expenses from those funds.
- h) As a condition to effecting any instruction from the Securityholders (including, but not limited to, instructions set out in Clause 15.2 (*Procedure for arranging a Securityholders' Meeting*)), the Trustee may require satisfactory security, guarantees and/or indemnities for any possible liability and anticipated costs and expenses from those Securityholders who have given that instruction and/or who voted in favour of the decision to instruct the Trustee.

16.5 Replacement of the Trustee

- a) The Trustee may be replaced according to the procedures set out in Clause 15 (*Securityholders' decisions*), and the Securityholders may resolve to replace the Trustee without the Issuer's approval.
- b) The Trustee may resign by giving notice to the Issuer and the Securityholders, in which case a successor Trustee shall be elected pursuant to this Clause 16.5, initiated by the retiring Trustee.

- c) If the Trustee is insolvent, or otherwise is permanently unable to fulfil its obligations under these Terms and Conditions, the Trustee shall be deemed to have resigned and a successor Trustee shall be appointed in accordance with this Clause 16.5.
- d) The change of Trustee's shall only take effect upon execution of all necessary actions to effectively substitute the retiring Trustee, and the retiring Trustee undertakes to co-operate in all reasonable manners without delay to such effect. The retiring Trustee shall be discharged from any further obligation in respect of these Terms and Conditions from the change takes effect but shall remain liable under these Terms and Conditions in respect of any action which it took or failed to take whilst acting as Trustee. The retiring Trustee remains entitled to any benefits under these Terms and Conditions before the change has taken place
- e) Upon change of Trustee the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Trustee with the successor Trustee and release the retiring Trustee from any future obligations under these Terms and Conditions and any other documents.

17 AMENDMENT AND WAIVERS

17.1 Procedure for amendments and waivers

The Issuer and the Trustee (acting on behalf of the Securityholders) may agree to amend these Terms and Conditions or waive a past default or anticipated failure to comply with any provision in these Terms and Conditions, provided that:

- a) such amendment or waiver is not detrimental to the rights and benefits of the Securityholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes; or
- b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
- c) such amendment or waiver has been duly approved by the Securityholders in accordance with Clause 15 (*Securityholders' decisions*).

17.2 Authority with respect to documentation

If the Securityholders have resolved the substance of an amendment to these Terms and Conditions, without resolving on the specific or final form of such amendment, the Trustee shall be considered authorised to draft, approve and/or finalise (as applicable) any required documentation or any outstanding matters in such documentation without any further approvals or involvement from the Securityholders being required.

17.3 Notification of amendments or waivers

The Trustee shall as soon as possible notify the Securityholders of any amendments or waivers made in accordance with this Clause 17, setting out the date from which the amendment or waiver will be effective, unless such notice obviously is unnecessary. The Issuer shall ensure that any amendment to these Terms and Conditions is duly registered with the Securities Depository.

18 FORCE MAJEURE AND LIMITATION OF LIABILITY

Neither the Paying Agent nor the Calculation Agent shall be held responsible for any damage arising out of any breakdown of/lack of access to IT systems or damaged data in such systems, failure in the electricity supply or telecommunications legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade natural disaster, insurrections, civil commotion, sabotage, terrorism, vandalism (including computer virus and hacking) or any other similar circumstance (a "Force Majeure Event"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Paying Agent or the Calculation Agent itself takes such measures or is subject to such measures.

The Paying Agent and the Calculation Agent shall have no liability to the Securityholders unless directly caused by its gross negligence or wilful misconduct. The Paying Agent and Calculation Agent shall never be responsible for indirect damage.

Should a Force Majeure Event arise which prevents the Paying Agent or the Calculation Agent from taking any action required to comply with the Finance Documents, such action may be postponed until the obstacle has been removed.

The provisions in this Clause 18 apply unless they are inconsistent with the provisions of the Capital Markets Act which provisions shall take precedence.

19 MISCELLANEOUS

19.1 Limitation of claims

All claims under these Terms and Conditions for payment, including interest and principal, will be subject to the legislation regarding time-bar provisions of the Relevant Jurisdiction.

19.2 Access to information

- a) These Terms and Conditions will be made available to the public and copies may be obtained from the Trustee or the Issuer. The Trustee will not have any obligation to distribute any other information to the Securityholders or any other person, and the Securityholders have no right to obtain information from the Trustee, other than as explicitly stated in these Terms and Conditions or pursuant to statutory provisions of law.
- b) The Issuer and the Trustee to the extent permitted under applicable regulations, shall have access on demand to information on ownership of Securities registered in the Securities Depository. At the request of the Trustee, the Issuer shall promptly obtain such information and provide it to the Trustee.
- c) The Issuer hereby irrevocable appoints each of the Trustee and such persons employed by the Trustee and the Paying Agent as its attorneys with full power and authority to independently obtain information directly from the Securities Depository. The Issuer may not revoke any such power of attorney while the Securities are outstanding unless directed by the Trustee. The Issuer shall without undue delay issue separate powers of attorney, if so requested by the Securities Depository.
- d) The information referred to in paragraphs b) and c) above may only be used by the Trustee and the Paying Agent for the purposes of carrying out their duties and exercising their rights in accordance with these Terms and Conditions and the Trustee and the Paying Agent shall not disclose such information to any Securityholder or third party unless necessary for such purposes.

19.3 Notices, contact information

- a) Written notices to the Securityholders made by the Trustee will be sent to the Securityholders via the Securities Depository with a copy to the Issuer and the Exchange (if the Securities are listed). Any such notice or communication will be deemed to be given or made via the Securities Depository, when sent from the Securities Depository.
- b) The Issuer's written notifications to the Securityholders will be sent to the Securityholders via the Trustee or through the Securities Depository with a copy to the Trustee and the Exchange (if the Securities are listed).
- c) Unless otherwise specifically provided, all notices or other communications under or in connection with these Terms and Conditions between the Trustee and the Issuer will be given or made in writing, by letter, e-mail or fax. Any such notice or communication will be deemed to be given or made as follows:
 - i) if by letter, when delivered at the address of the relevant party;
 - ii) if by e-mail, when received; and
 - iii) if by fax, when received.

- d) The Issuer and the Trustee shall each ensure that the other party is kept informed of changes in postal address, email address, telephone and fax numbers and contact persons.
- e) When determining deadlines set out in these Terms and Conditions, the following will apply (unless otherwise stated):
 - i) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;
 - ii) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and
 - iii) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

20 GOVERNING LAW AND JURISDICTION

20.1 Governing law

These Terms and Conditions are governed by the laws of Denmark, without regard to its conflict of law provisions.

20.2 Main jurisdiction

The Trustee and the Issuer agree for the benefit of the Trustee and the Securityholders that the City Court of Copenhagen shall have jurisdiction with respect to any dispute arising out of or in connection with these Terms and Conditions. The Issuer agrees for the benefit of the Trustee and the Securityholders that any legal action or proceedings arising out of or in connection with these Terms and Conditions against the Issuer or any of its respective assets may be brought in such court.

20.3 Alternative jurisdiction

Clause 20.2 (*Main jurisdiction*) is for the exclusive benefit of the Trustee and the Securityholders and the Trustee have the right:

- a) to commence proceedings against the Issuer or its respective assets in any court in any jurisdiction; and
- b) to commence such proceedings, including enforcement proceedings, in any competent jurisdiction concurrently.

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These Terms and Conditions have been executed in two originals, of which the Issuer and the Trustee shall retain one each.

The Issuer

For and on behalf of DLF Seeds A/S:

Name:
Title:

Name:
Title:

The Trustee

For and on behalf of Nordic Trustee A/S:

Name:
Title:

Name:
Title

7. LIABILITY STATEMENT FROM THE BOARD OF DIRECTORS

7.1 The Issuer's responsibility

DLF Seeds A/S is responsible for this Company Description in accordance with the "Nasdaq First North Bond Market - Rulebook" and Danish law.

7.2 Liability statement from the Board of Directors

We declare that, to the best of our knowledge, the information provided in the Company Description is accurate and that, to the best of our knowledge, the Company Description is not subject to any omissions that may serve to distort the picture the Company Description is to provide, and that all relevant information in the minutes of board meetings, auditor's records and other internal documents is included in the Company Description.

Roskilde, November 2018

DLF Seeds A/S

Christian Høegh-Andersen
Chairman of the Board

Søren Wibholm Just
Vice-chairman of the Board

Peter Bagge Hansen
Board member

Tina Sejersgård Fanø
Board member

Flemming Rod Madsen
Board member

Hans Kristian Juranich
Board member

Rasmus H. Larsen
Board member

Mette M. Pontoppidan
Board member