

Dansk Farmland K/S

Investing in Danish Farms

Henrik Mordhorst, ceo
Dansk Farm Management A/S
at:

LITHUANIAN FINANCIAL
MARKETS INSTITUTE INVITES

2ND INTERNATIONAL
FINANCIAL MARKETS
CONFERENCE



Dansk Farmland K/S

We buy farmland & -buildings and rent them
out to farmers in Denmark.

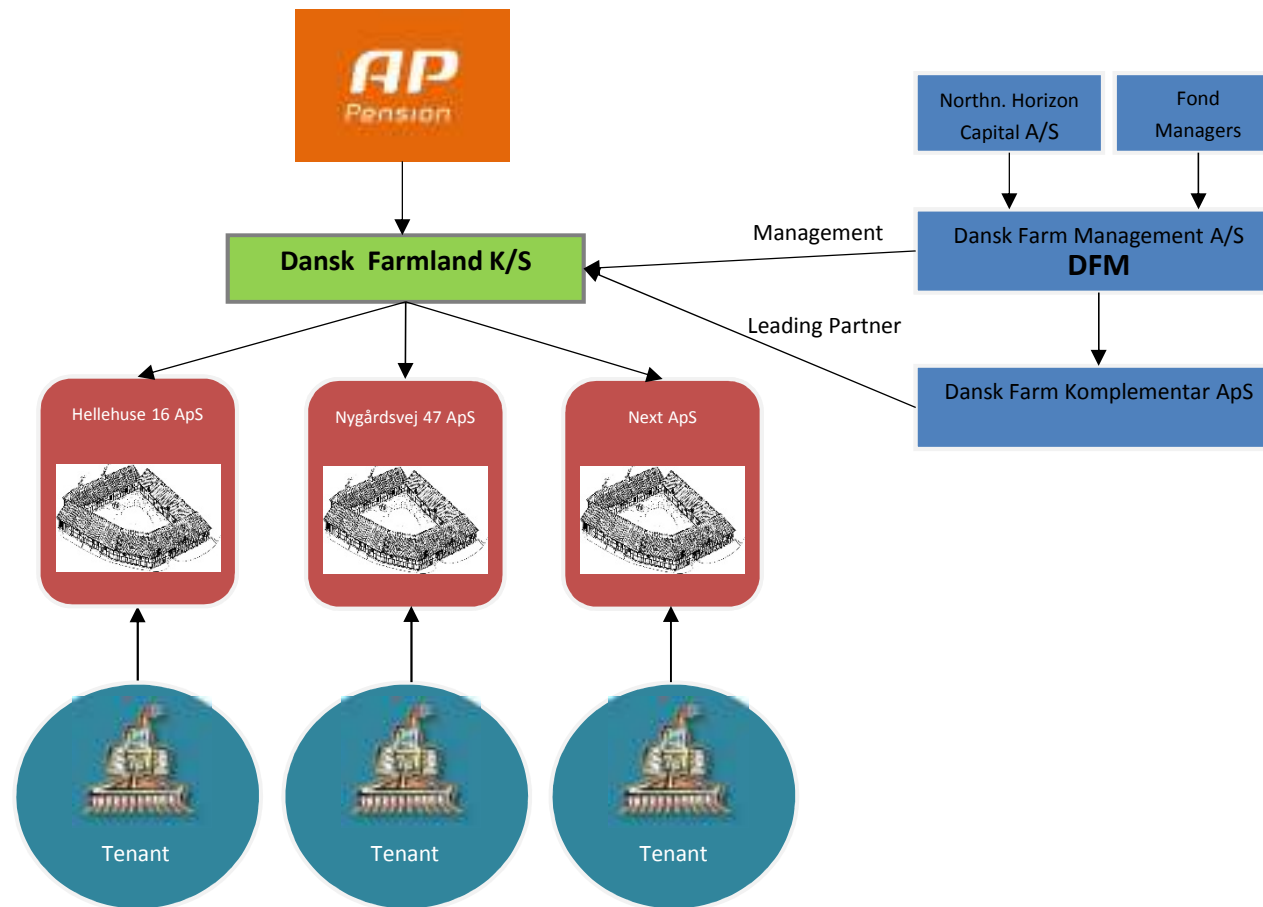
We do not finance operations.

Dansk Farmland K/S

Name:	Dansk Farmland K/S
Founded:	July 2013.
Sole investor:	AP Pension
Size:	600 mil. DKK in 2 tranches á 300
Manager:	Dansk Farm Management A/S
Fee structure:	0,45% for land 0,65% for farm buildings min. DKK 2,5 mill./year
Attorneys:	Accura Advokatpartnerselskab
Auditor:	Deloitte
Investment board:	Chairman: Povl Fritzner, Farmer Member: Peter Olsson, AP Pension Member: Lars Ohnemus, NHC



Dansk Farmland K/S, structure



Dansk Farm Management A/S

Team:



Torben Andersen

Torben has gained over 30 years of experience (excl. being raised on a farm) through tenures in the field, at the National Committee for Pig Breeding and Production, as vice president for procurement and quality assurance at Steff Houlberg and as independent consultant. Over the last 10 years in the latter position has he advised and managed farm development in DK, the Baltics and eastern Europe to the tune of 9.000 productive sows (app. 100 mill. EUR). Torben holds a M.Sc. (Agriculture) from the Royal Danish Agricultural University.



Hans Christian Jørgensen

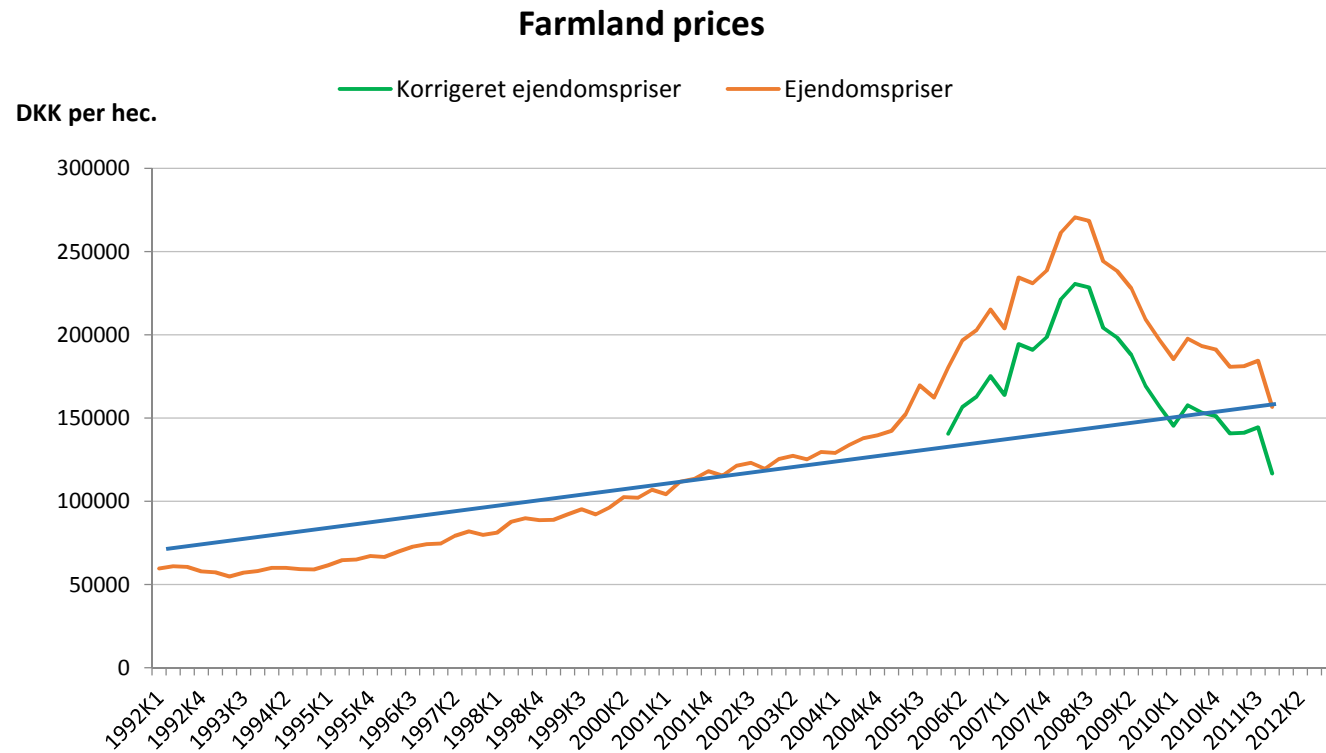
Hans Christian and has his main expertise in construction management within the agricultural sector and as an insurance agent within same. His experience includes construction planning and execution, equipment sourcing, legal aspects and animal production management. Geographically has he operated in DK, the Baltics, Russia, Central Europe, North- and South America. Hans Christian holds a B.Sc. (Agriculture) from the Agricultural College of Herning.



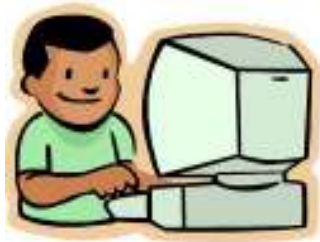
Henrik Mordhorst

Henrik has more than 25 years of experience from the financial sector through management positions in banks such as Merrill Lynch, Nomura Intl. og UBS. He has subsequently worked for 2 large family offices where he overlooked the asset allocation, advised in real estate and established an investment fund family for traditional asset classes. Henrik holds a M.Sc. (Economics) from Copenhagen Business School.

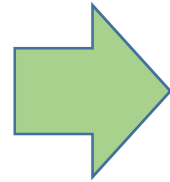
Farm prices in Denmark



Process



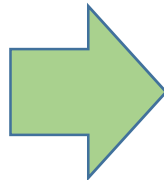
A topquartile farmer in a "good" age (28-40) finds a farm that suits his talent



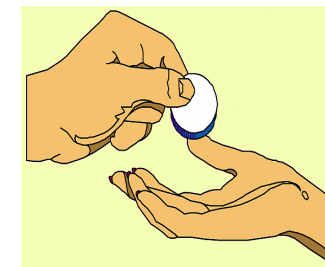
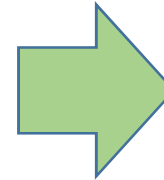
A budget for 10 years is made co-operation with an agri-consultant



The project is presented to the board of Dansk Farmland K/S -> go / no go

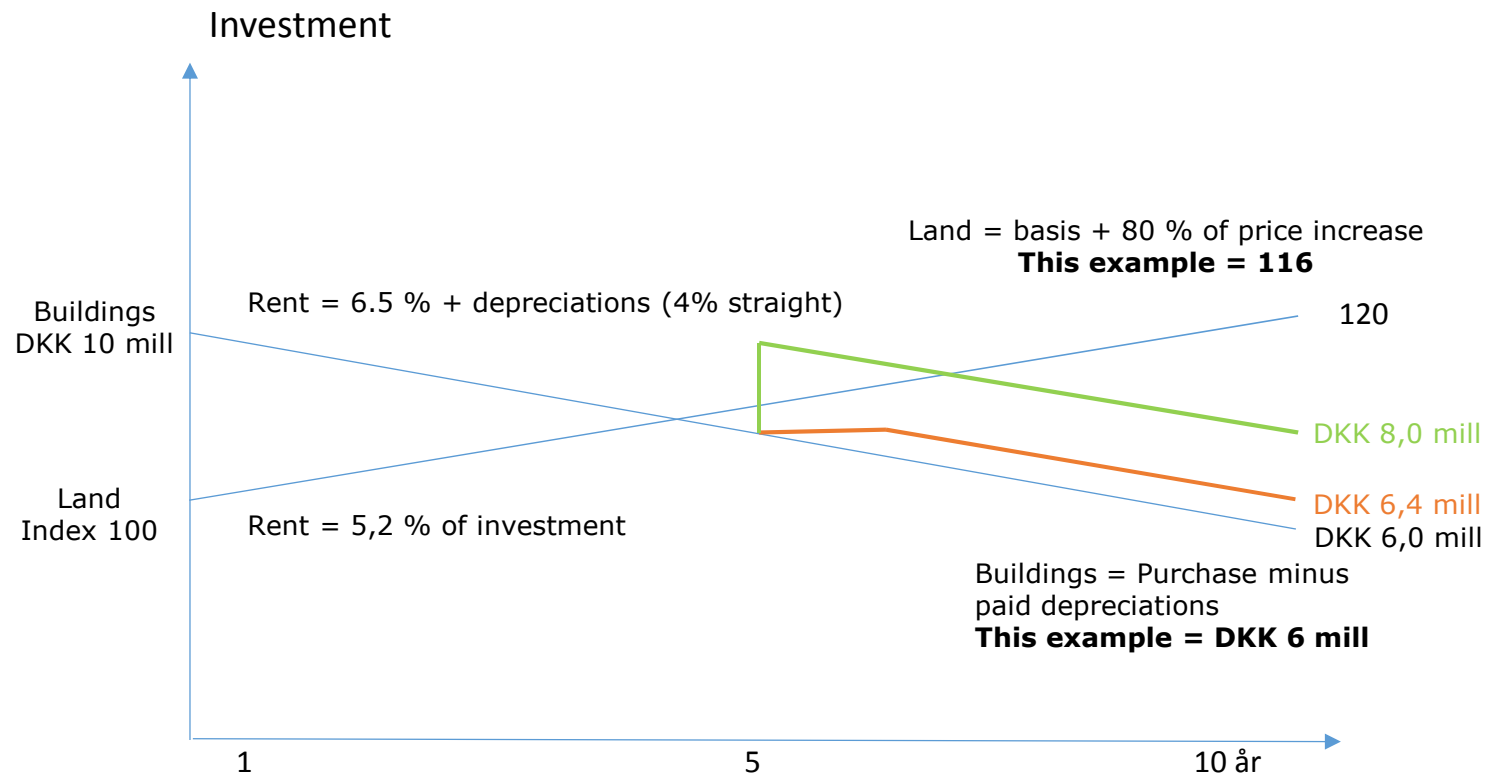


If go:
The farm is acquired at a price matching a rent of 5,2 % for land (ca. 70%) and 6,5% for farm buildings (ca. 30%)
In addition depreciations according to agreement



The farmer has an option to buy in year 8-10 at purchase price + 80% of market increase on land and purchase price for buildings - depreciations

Rent and option year 8-10



Conclusions

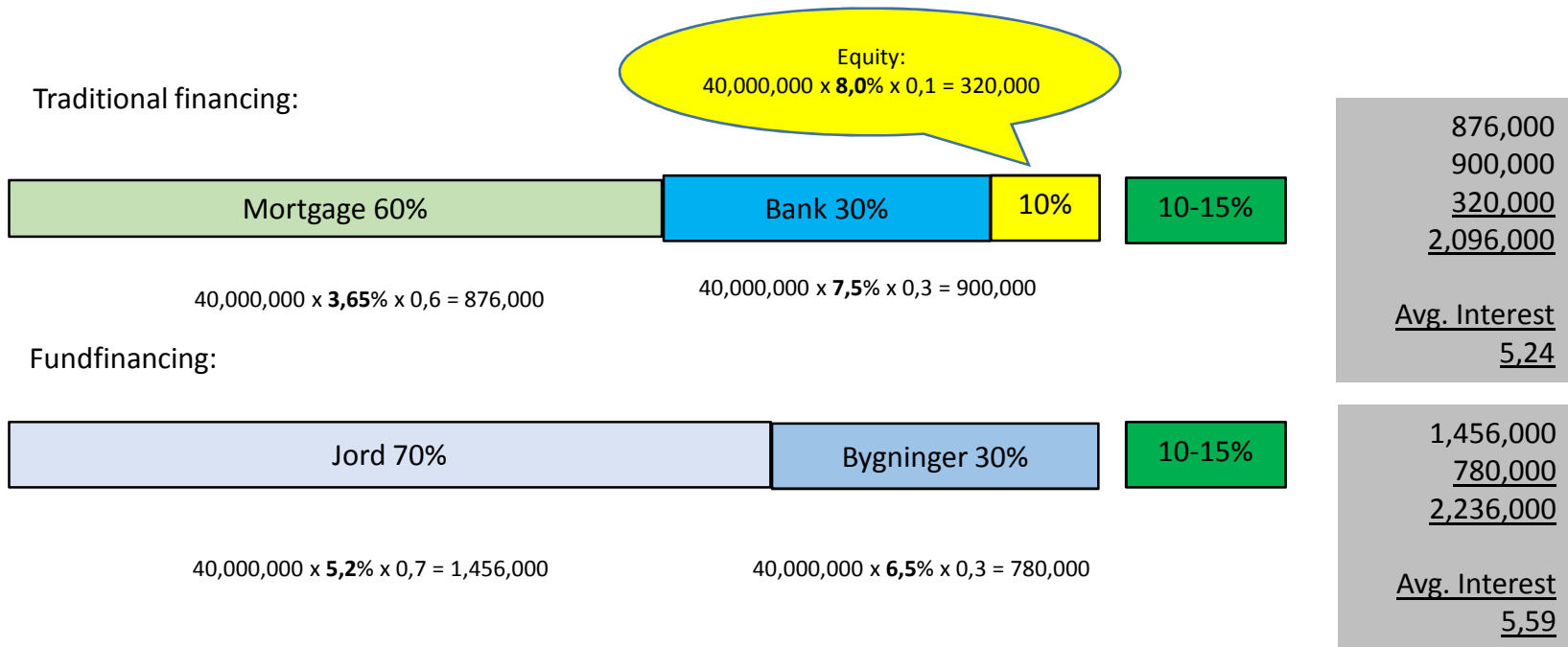
- New concept where both farmers and investors have to accept changes (self ownership and collateral)
- On the farming side it can be deployed for young farmers with limited equity, for reconstruction, handing over to next generation and expanding healthy farm operations
- Can be used by banks with overexposure to the sector
- Buy option is interesting for both sides
- Asset class is suitable for pensionsfunds – long term!

Thanks for your time!



Funds- versus traditional financing

Example: Finance cost for: DKK 40,000,000



NB!
 Operating capital
 further 10-15%