



Hybrid Capital Investor Presentation

November 2018

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Agenda

1. Introduction to DLF

2. Business overview

3. DLF Financials

4. Strategy & the acquisition of PGG
Wrightson Seeds

5. Q&A

6. Termsheet


7. Appendices



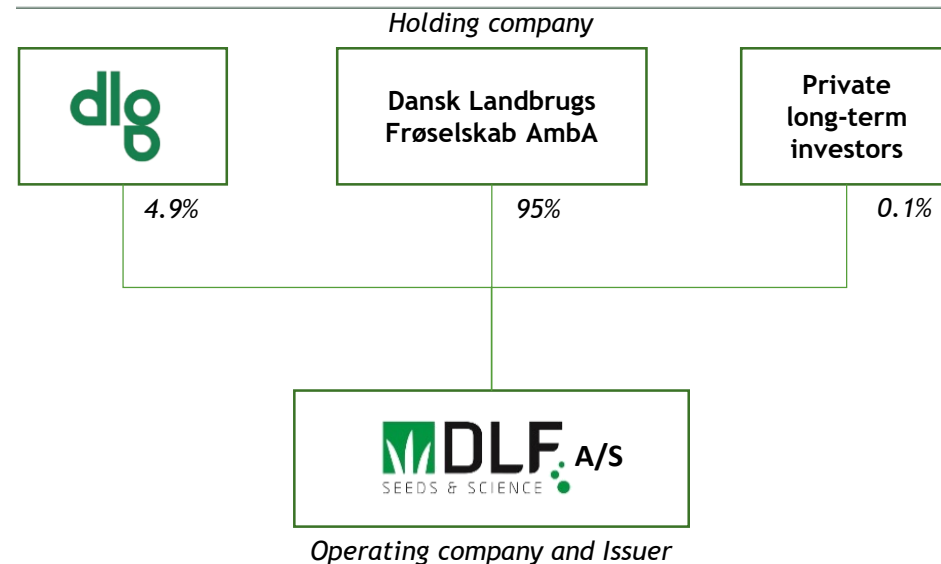
Stable ownership enabling a strong management team backed by a competent and experienced organisation

Executive management board of DLF Group

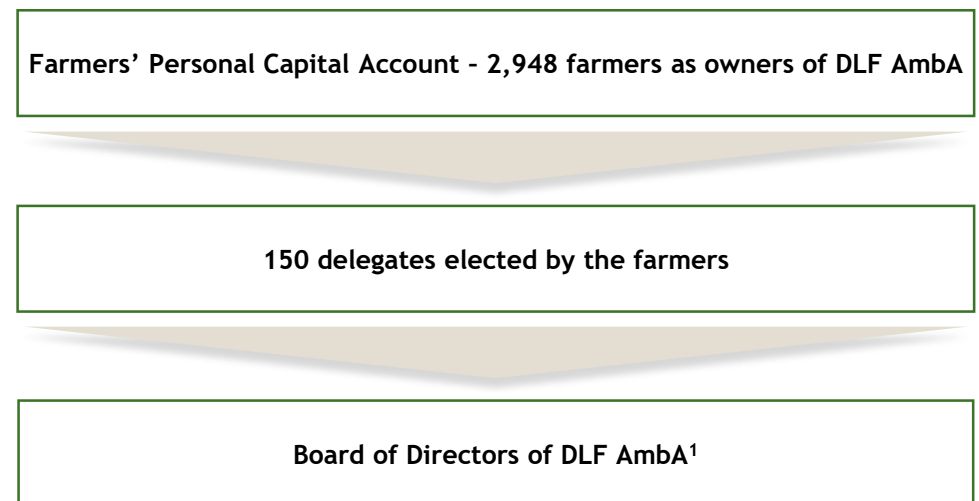
 Presenting

 Truels Damsgaard Chief Executive Officer With DLF since 1988	 Morten Andersen Chief Financial Officer With DLF since 1997	 Søren Halbye Chief Commercial Officer With DLF since 2006	 Klaus K. Nielsen Chief Scientific Officer With DLF since 1997	 Søren Ustrup Business Director Strategic Business Unit Southern Hemisphere With DLF since 2016	 Niels Mikkelsen Managing Director MariboHilleshög With DLF (Maribo) since 1990
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DLF ownership structure



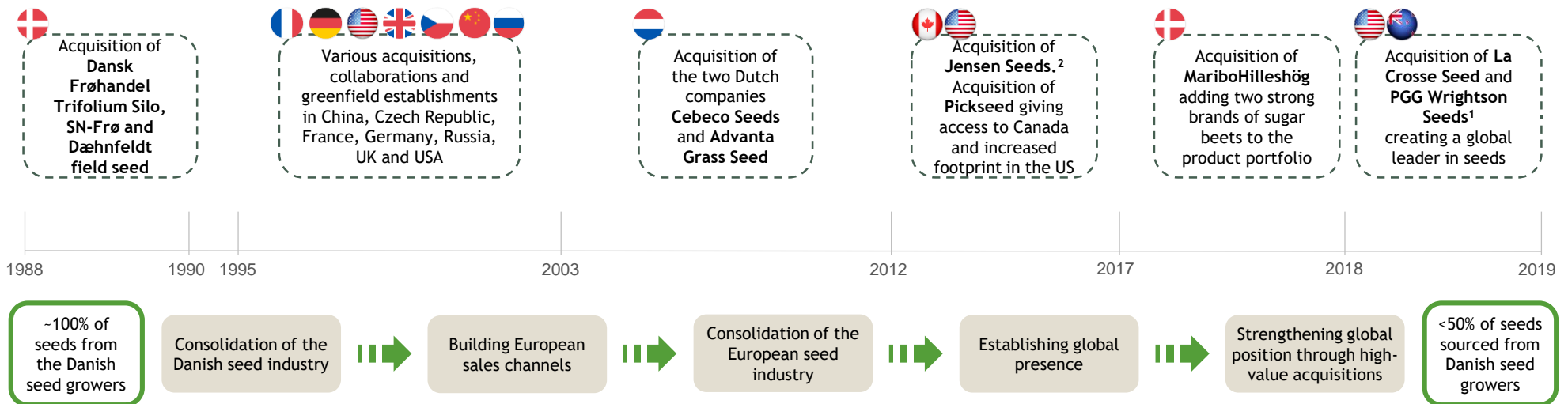
DLF AmbA



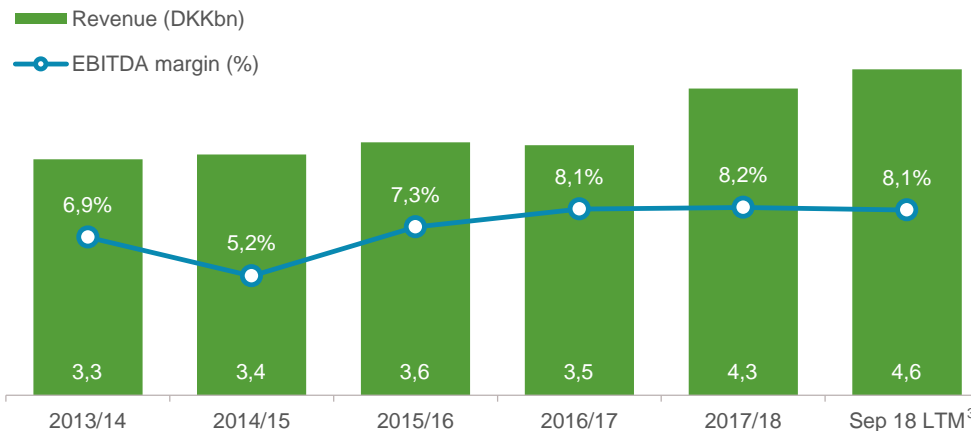
1) 4 members from DLF AmbA's Board of Directors are members of the DLF A/S Board of Directors

DLF has developed from a Danish grass seed producer with export activities to a global seed company

Strategic development through acquisitions and partnerships has positioned DLF as a global market leading seed company



DLF revenue and EBITDA margin



Source: Company information
 1) Expected to close 31 Dec 2018
 2) 50% of Jensen Seeds was acquired in 2012 and the remaining 50% was acquired in 2016
 3) Last twelve months from end of September 18

DLF overview

- DLF's core business is seeds for turf and forage where DLF holds a leading market position in the Northern hemisphere. DLF is also active within vegetable seeds, potatoes and sugar & fodder beet seeds. DLF ranks among the world's 10 largest seed companies measured by revenue
- DLF was incorporated in 1872
- Today, the company has ~1,200 employees and operations in 19 countries across the globe with approximately one out of six employees working within R&D
- Besides organic initiatives, DLF has made several acquisitions, strengthening its product offering, supply chain and its geographical footprint over time

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- Products
- R&D and innovation
- Sourcing of seeds

- Forage and turf
- Sugar beet seeds
- Vegetable seeds
- Potatoes



The product segments and business lines of DLF A/S



Forage & Turf¹

Revenue (DKK)
EBITDA (DKK)
Margin (%)
Employees

3,349m (77%)
252m (71%)
7.5%
830

Forage



Application
areas

Description

Breeding, production and sale of forage grass, clover and alfalfa seeds to the agricultural sector

Professional turf



Breeding, production and sale of turf seeds to professionals within sports, construction and tending grass areas

Consumer turf



Breeding, production and sale of turf grass to the retail market for home garden use



Sugar beet seeds

600m (14%)
58m (16%)
9.7%
287



Breeding and sale of sugar beet seeds used as fodder and for sugar production



Vegetable seeds

168m (4%)
38m (11%)
22.6%
30



Production of hybrid spinach seeds as well as vegetable and flower seeds



Potatoes

208m² (5%)
6m² (2%)
2.9%²
52²



Breeding, production, and sale of seed and ware potatoes

Source: Company information

Note: All numbers are 2017/2018 FY numbers

1) Forage & Turf is inclusive Oil Seed business

2) DLF owns 49% of Danespo. The numbers are adjusted for this and reflects 49% of Danespo's total revenue and EBITDA

Forage and turf: Business overview

Forage product characteristics

- World leading producer of grass- and clover seeds for cows, horses and sheep
- The right nutritional balance for livestock ensures higher yields of milk and meat, emphasizing the importance of R&D to retain a competitive edge
- Products are sold to agricultural distributors and private merchants/cooperatives



Professional turf product characteristics

- Turf for professional application such as stadiums, golf courses, and public parks
- DLF provided the grass for the 2012 and 2016 Olympic Games, Soccer Euro 2016, and the 2010, 2014 and 2018 World Cup
- Products are sold to local municipalities, landscapers, facility mgmt./construction companies and rolled turf manufacturers

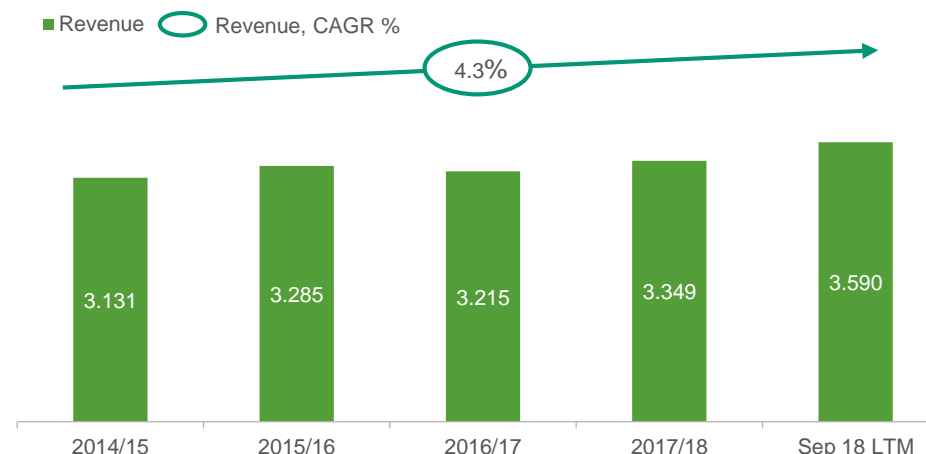


Consumer turf product characteristics

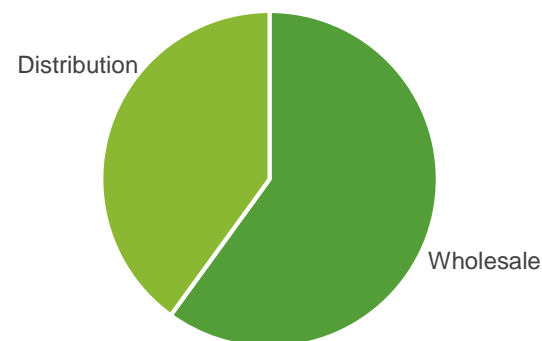
- Consumer turf for use in home gardens and similar applications
- Products for retail markets are distributed through garden centres, DIY chains and general stores



Segment revenue development (DKKkM)



Revenue of wholesale versus distribution from Greater Europe¹



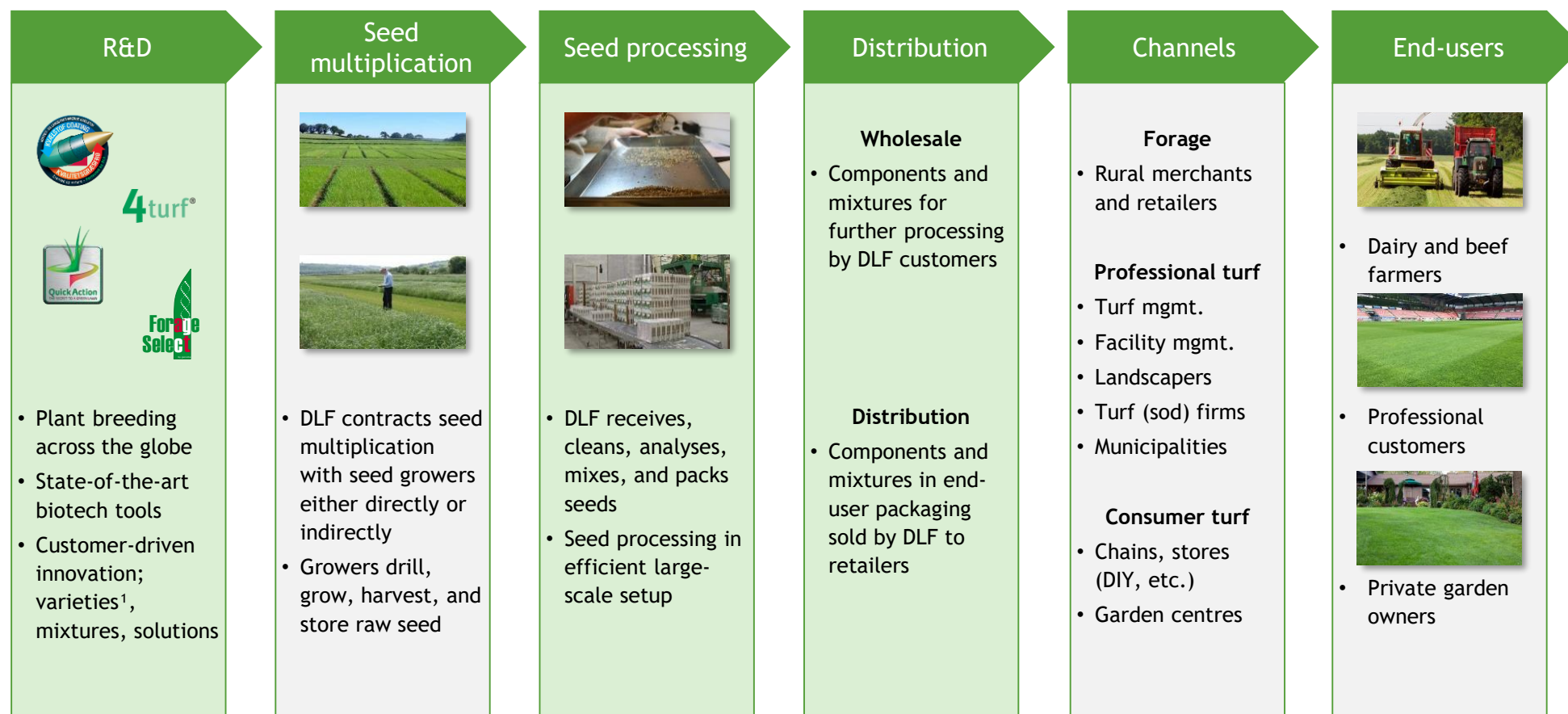
- Wholesale includes sale of products for further processing to companies
- Distribution includes products for consumers sold to retailers or end-users
- Distribution volume is split close to 1/3 on respective forage, prof turf and cons turf in Greater Europe

Note: Segment metric tonnes shares based on DLF management estimate

1) Based on revenue split from companies in Europe, including Russia

Forage and turf: DLF is vertically integrated throughout the forage and turf seed value chain

The DLF forage and turf business model






DLF value chain

Source: Company information

1) Variety = Product; Seed is consumed as varieties ("straights") or in mixtures (a number of varieties of same or different species are mixed to end-use product),

Forage and turf: Markets have a positive growth outlook

Forage and turf market description

	Forage	Professional turf	Consumer turf
			
Market trends	<ul style="list-style-type: none"> Strong focus on increased food production and global meat and milk consumption drive R&D efforts to increase yield while minimising environmental impact Growing middle class increases demand for meat/diary globally 	<ul style="list-style-type: none"> Climate change creates demand for more versatile turf varieties An expected higher number of hours per pitch drive development of turf types and artificial turf 	<ul style="list-style-type: none"> The retail sector will be served by few suppliers going forward, creating demand for packaged solutions and service Millennials focused on the environment driving R&D to develop more sustainable turf
Price sensitivity	Medium	Medium	High
Technical req.	High	High	Low / Medium

Forage and turf markets characteristic

- For mature markets, growth is value-based and driven by improvements in varieties and seed technology while growth in emerging markets is volume-driven
- Market prices are to a certain level correlated with prices of agricultural commodities like milk, meat, and grain
- Weather conditions remain an ever-present factor within forage and turf markets across the globe

Forage and turf consumption outlook and growth opportunities

Location	MT	Outlook	Market share growth	Proprietary growth	New technology
Europe ¹	~230,000	→	✓	✓	✓ ✓
North America	~292,000	→	✓ ✓	✓	✓ ✓
South America	~85,000	↗	✓ ✓ ✓	✓ ✓ ✓	✓ ✓
China/Asia	~52,000	↗	✓	✓	✓ ✓
Australia/NZ	~39,000	→	✓	✓ ✓	✓ ✓
Russia + CIS ²	~9,000	↗	✓	✓ ✓	✓ ✓
Rest of world ³	~18,000	↗	✓ ✓	✓	✓ ✓
Total	~725,000		Low ✓	High growth opportunity ✓ ✓ ✓	

Estimated DLF market share (%)

- On a global level DLF holds a market share in the area of 20-30% within forage and turf seeds. Forage estimated market share is approximative 15-20%, the market shares of professional and consumer turf ranges from 25-35%
- In Europe DLF holds the biggest market share ranging around 45-50%
- In the Americas DLF's estimated market share is 15-20%. In China DLF holds a large market share in the professional turf market of around 40-50%
- In the rest of the world DLF's estimated total market share is circa 5%

Source: Forage and turf consumption outlook and growth opportunities are best effort DLF management estimates. DLF takes no responsibility for the accuracy of such estimates

1) Including 15,000-20,000 metric tonne alfalfa

2) Import only, market is also served by cheap, low quality, domestic production

3) Turkey/Middle East/North Africa, South Africa

Sugar beets, vegetable seeds and potatoes: Business overview

Description

Sugar beet and fodder beet seeds



- The company holds strong market positions in Europe, North America, and APAC
- Portfolio of +100 sugar beet varieties as well as fodder beet seeds
- Strong R&D set-up with constant focus on improving the properties and quality of the seeds



Vegetable seeds¹



- Products include vegetable, flower and herb seeds (hybrid spinach accounts for ~80% of revenue)
- Centralized value chain processes in one warehouse to optimize efficiency
- Main customers are the leading vegetable seed companies in Europe, the US, and the Far East



Potatoes

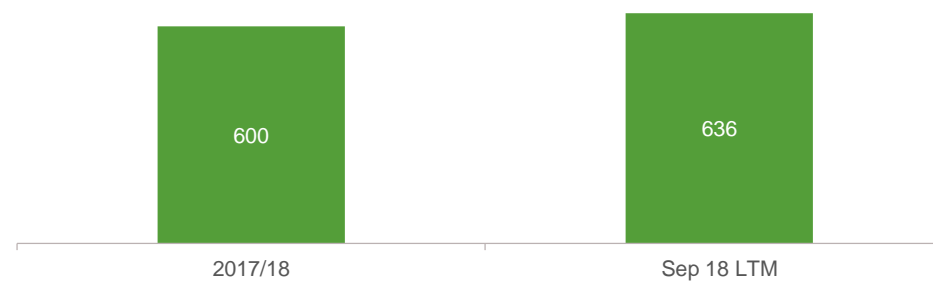


- Leader within seed/ware potatoes (revenue split of ~50/50) and sold to +40 countries worldwide
- Highly R&D-driven and a vertically integrated value chain ensures a high degree of user/consumer driven innovation
- Main customers are professional potato growers in Northern Europe, North Africa and Danish supermarkets

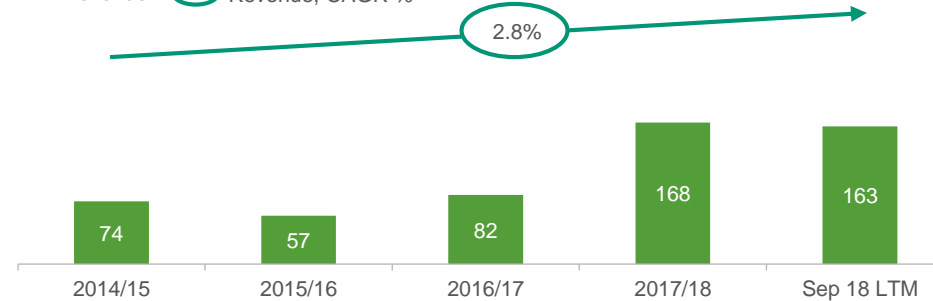


Revenue development (DKKkM)

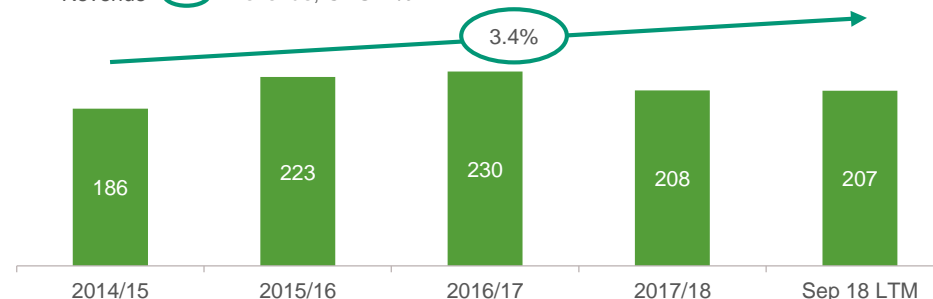
■ Revenue



■ Revenue ○ Revenue, CAGR %²





■ Revenue ○ Revenue, CAGR %



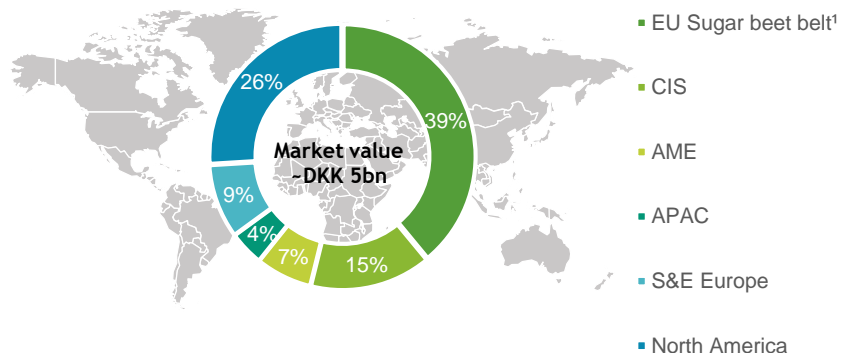
1) DLF acquired 50% of the shares in Jensen Seeds in 2012 and took over 100% for the financial year of 2016/17. Figures for 2014/15 and 2015/16 reflect 50% of Jensen Seeds
 2) CAGR reflecting 100% revenue in all years

Sugar beets, potatoes and vegetable seeds: Positive growth outlook

The beet seed market

		Sugar beet seeds	Fodder beet seeds
			
Market trends		<ul style="list-style-type: none"> Europe: (I) Deregulation shifts EU production to EU sugar beet belt. (II) Stable crop profitability. (III) Market for fodder beets has stabilised over the last years North America: (I) Stable USDA program. (II) Driven by upcoming technologies New Zealand: (I) Increasing use of fodder beets as a complement to grass Rest of world: (I) Increasing sophistication and sugar yield. (II) Shift to higher-value seeds while decreasing acreage 	
Pricing & Technical req.	Western Europe	High	High
	North America	High	N/A
	Rest of world	Low / Medium	High (in New Zealand)

Sugar beet markets across the globe



Source: Sugar beet market value globally is a DLF management best effort estimate. DLF takes no responsibility for the accuracy of such estimates
 1) Austria, Belgium, Czech Republic, Denmark, France, Germany, Netherlands, Poland, Slovakia, Sweden, Switzerland, United Kingdom

Trends for the industry impacts potato and vegetable seeds



Growing Consumption

A growing world population will increase the need for food by between 60% and 100% towards 2050



Evolution in food habits

Evolution in food habits towards increased consumption of vegetables and meat leads to increased need for agricultural raw materials



Growing importance of R&D

The agricultural sector is focused on efficiency while minimising environmental impact explaining why R&D-intensive seeds are in high demand

Vegetable and Potato seeds markets

Vegetable seeds:

- Spiking demand in Asia and the world population to increase from 7bn. to 9 bn. within 2050 increasing consumption
- Sustainability trends with focus on healthier consumption is supporting demand

Potato seeds:

- Table potatoes sold to supermarkets see stagnant growth outlook
- Ware potatoes for industrial players see positive growth outlook as new industrial uses for ware potatoes are continuously implemented
- Pre-cut potatoes for French fries have a positive growth outlook

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Industry leading R&D ensuring competitive product portfolio with continuous improvements of products

Breeding goals by segments

Forage

- Yield (conservation, grazing)
- Disease resistance
- Ground cover
- Quality (digestibility, fiber, sugar etc.)
- Winter hardiness
- Seed yield

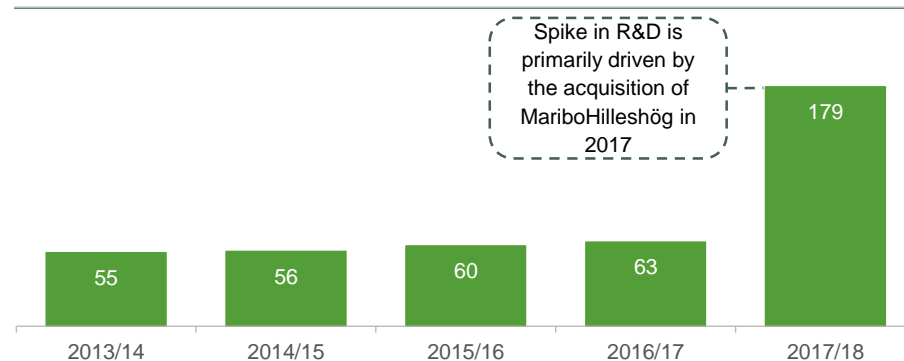
Turf

- Visual turf quality
- Tolerance to wear (use)
- Stress tolerance (drought, heat, cold, salt, etc.)
- Disease resistance
- Seed yield

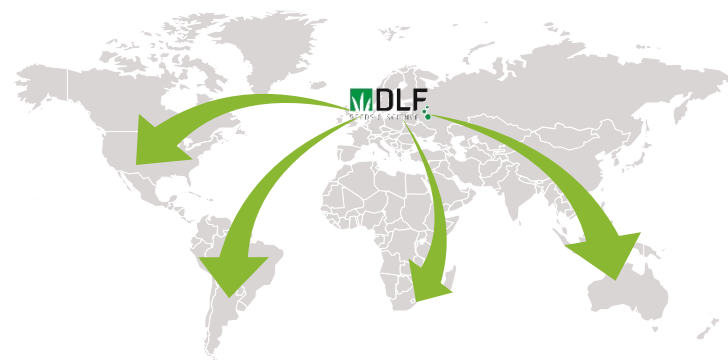
Sugar beet

- Yield (root yield, sugar content)
- Disease resistance (fungi, bacteria, virus, nematodes)
- Seed quality (seed yield, germination vitality)
- Bolting resistance
- Seed technology (seed treatments, priming etc.)

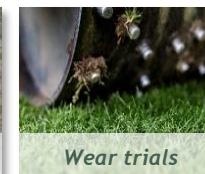
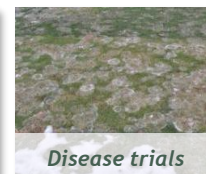
Annual R&D spend, DKKm



Global R&D and trial network



Trial examples



Source: Company information

1) Picture displays the measurement method employed, Near-Infrared Spectroscopy (NIRS)

DLF benefits from a strong R&D setup in which initiatives are funded jointly by DLF and research partners

Comments

- The need for robust and resource-efficient plants is growing considerably, and the climate and local regulations are increasing the demands for plant production
- DLF is on the top of the varieties lists in several countries, underlining the strength of DLF's R&D setup
- DLF is among the forefront to use genomic selection for grass seed breeding
- DLF is partnering with many different academic institutions in various R&D activities
- The research projects range in size from DKK 20m to circa DKK 200m in total budget and DLF typically invests in a percentage of the total project ranging from 5-20%
- DLF is currently involved in several projects. The 6 joint research projects illustrated here have a total budget of more than DKK 550m

Genomic selection



- Breeding by genomic prediction
- Faster and higher breeding gains
- Multi-trait selections
- *Core partner: Aarhus University*

Green proteins



- Grass/clover proteins
- Human and animal consumption
- *Core partner: Danish consortium*

Max root growth



- Drought and flooding tolerance
- Robust crop production
- Water- and fertilizer usage efficiency
- *Core partners: Copenhagen University & Crop Innovation DK*

Precision breeding



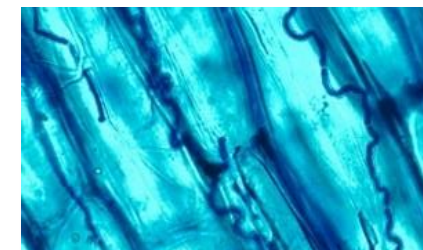
- Targeted mutations in crops
- Fast, precise trait discovery
- *Core partners: Chinese Academy of Science, Aarhus University, & Copenhagen University*

Forage quality



- Improved digestibility
- Bioenergy refinery
- Fiber fractions
- *Core partner: BioValue consortium*

Plant microbes



- Biological plant protection
- Promotion of plant growth
- *Core partner: Aarhus University*

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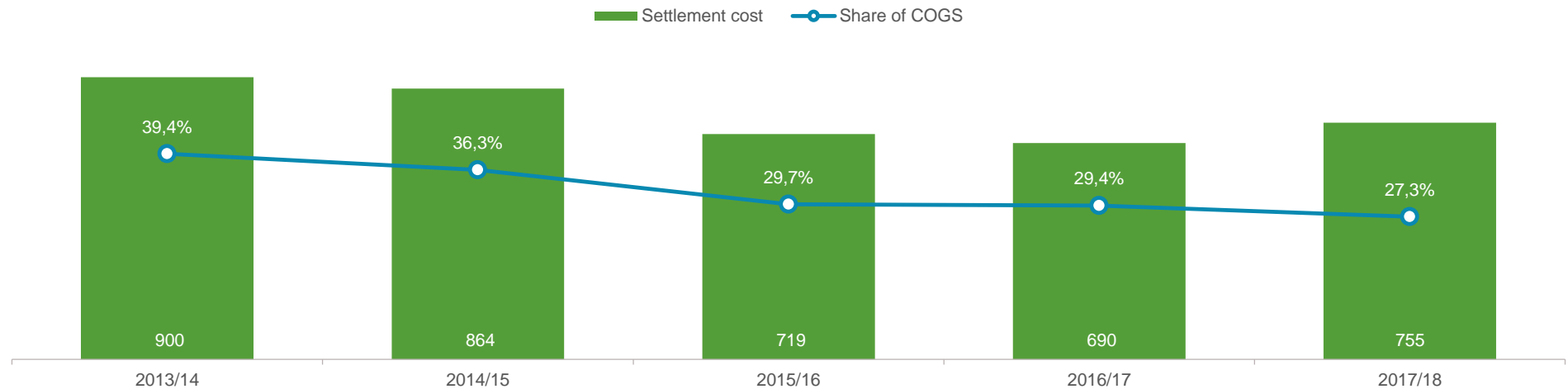
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The strategy is increasingly international and diversified

Diversification of sourcing strategy shown by Danish seed growers' share of cost of good sold over time

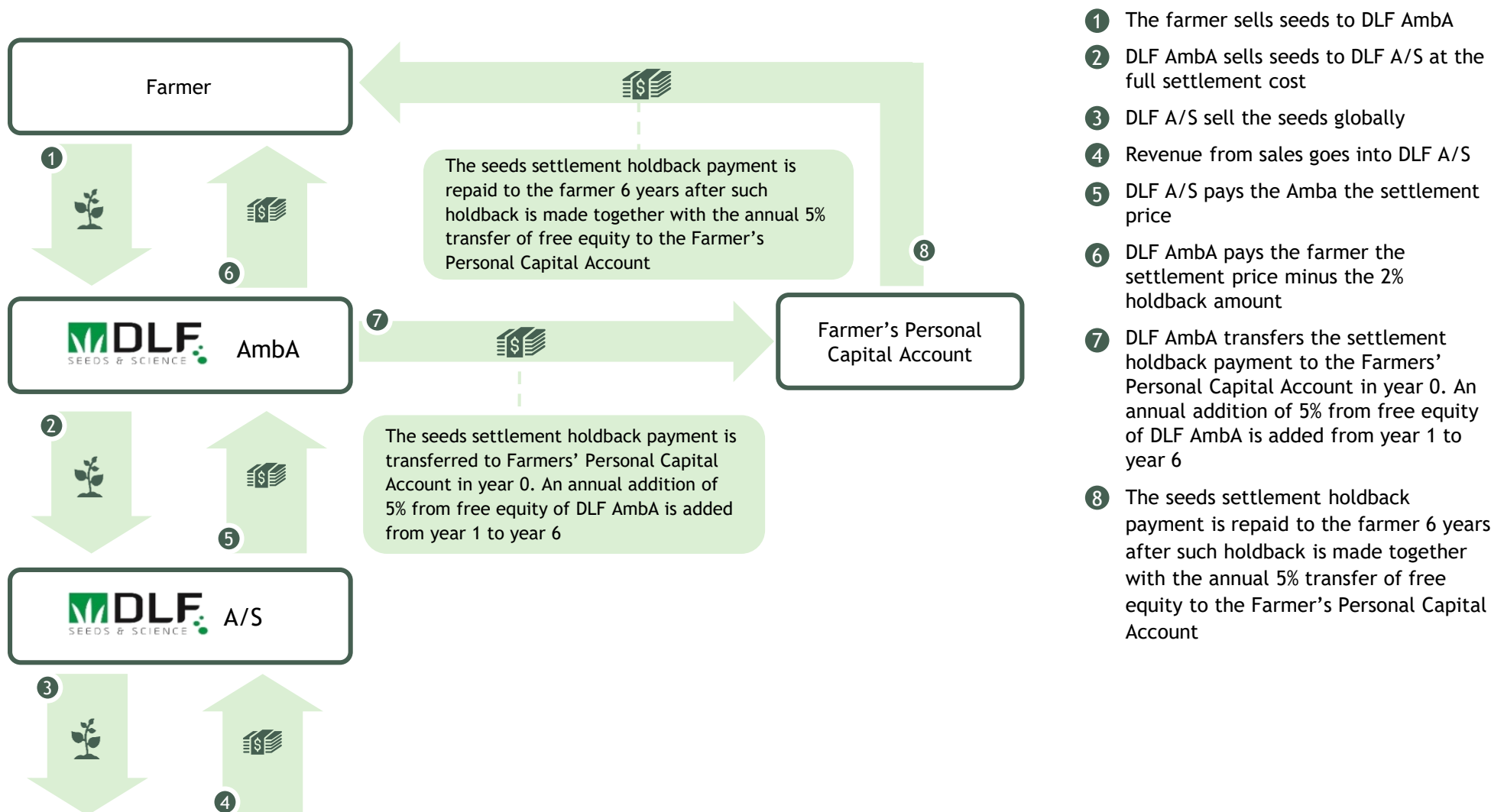


DLF's international sourcing strategy on forage and turf

- Originally, DLF sourced all seeds from its cooperative owners which were the Danish seed growers
- DLF will enter into grower contracts with the seed growers of 1-3 years duration depending on the seed type. During the contract, DLF will sell and deliver basic seeds to the grower and is obliged to purchase the grower's entire production
- The contracts with the Danish seed growers are based on mutual confidence and does not include a guaranteed grower price
- For the seed growers with production outside of Denmark the seed growers are normally guaranteed pricing before planting, either as a 1) Minimum price, or 2) Fixed price. This structure entails some form of a risk element for DLF, but also an upside to potential margins
- As a result of this setup the farmers bear most of the price risk of fluctuations in market prices

The seeds settlement holdback payment is held in 6 years before payout to the farmer

Cash flows illustrated



Source: Company information

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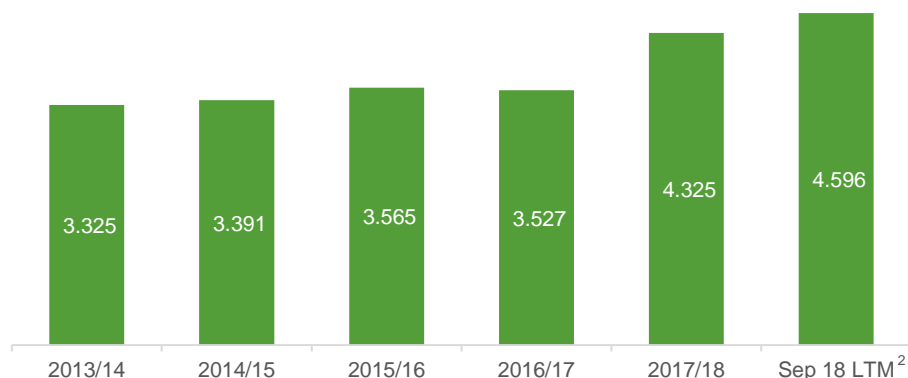
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Stable growth in DLF with an increasing EBITDA margin in recent years

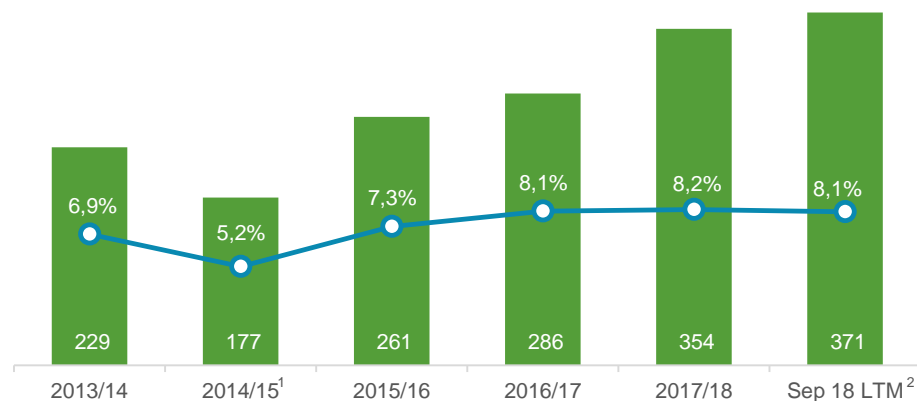
Revenue growth in DLF, DKKm



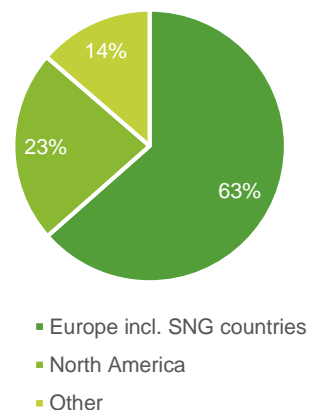
Comments

- Revenue growth from 2016/17 to 2017/18 driven by acquisition of MariboHilleshög (sugar beets) contributing with DKK 600m in revenue and DLF Moore Seed in Canada with a revenue of DKK 88m
- La Crosse Seed, a distribution company in Wisconsin, was acquired on the last accounting day of the year in 2017/18
- Improvement in EBITDA and margins historically
- The dry summer in the Northern hemisphere has resulted in strong sales in Q1 2018/19

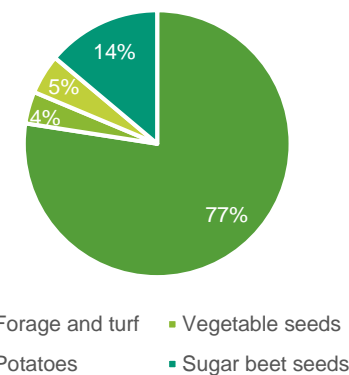
EBITDA growth while maintaining a strong margin, DKKm



Revenue by geography³



Revenue by segment³



Source: Company information

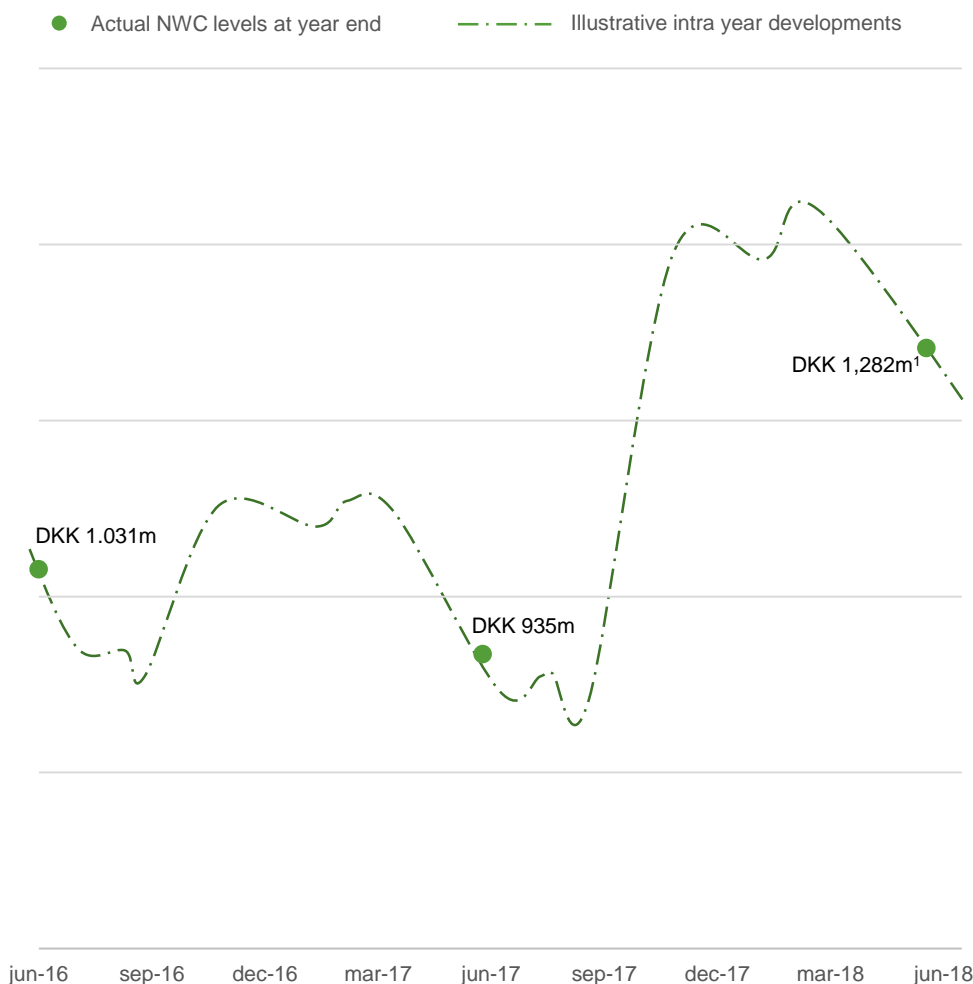
1) Extraordinary correction of DKK 44.5m due to implementation of the purchase provision model retrospective to 2008/09

2) La Crosse Seed was acquired on the last accounting day of the 2017/18 financial year. Only three months revenue from La Crosse Seed is included in the LTM numbers

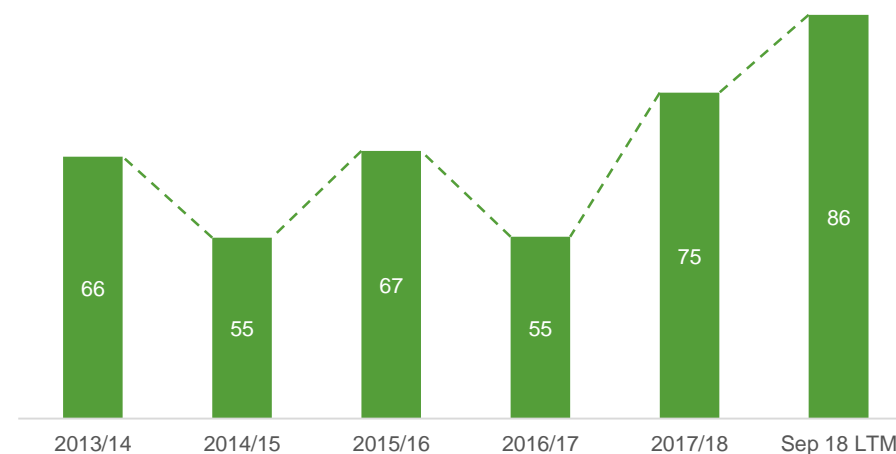
3) Based on 2017/18 revenue numbers

Net working capital fluctuations and Capex

Net working capital for DLF A/S



Yearly Capex, DKKm



Comments

- ~75% of the expected Danish harvest value is paid on account in December and ~25% is paid for in June resulting in NWC peak in December as trade creditors is reduced
- Inventories normally peak during winter. The inventory is liquid in nature and has a value in a wind-up scenario
- The high capex in 2017/18 is partly driven by one-offs such as the expansion in the warehouse and capacity facilities of Jensen Seeds and by Danespo investments in a new headquarter incl. R&D. The addition of the sugar beets business adds to capex 2017/18 onwards

Source: Company Information

Note: NWC defined as stocks + trade debtors- trade creditors. Intra year developments shown are not actual numbers, but for illustrative purposes showing intra year developments

1) The increase in NWC is primarily driven by the acquisition of MariboHilleleshög

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Wrightson Seeds**

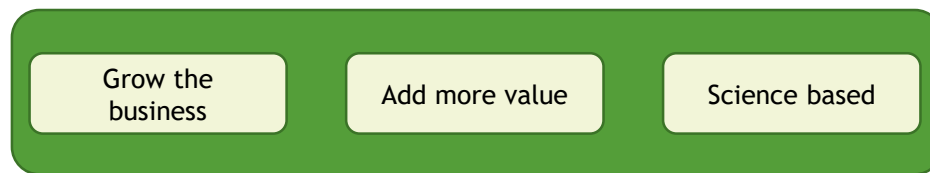
5. Q&A

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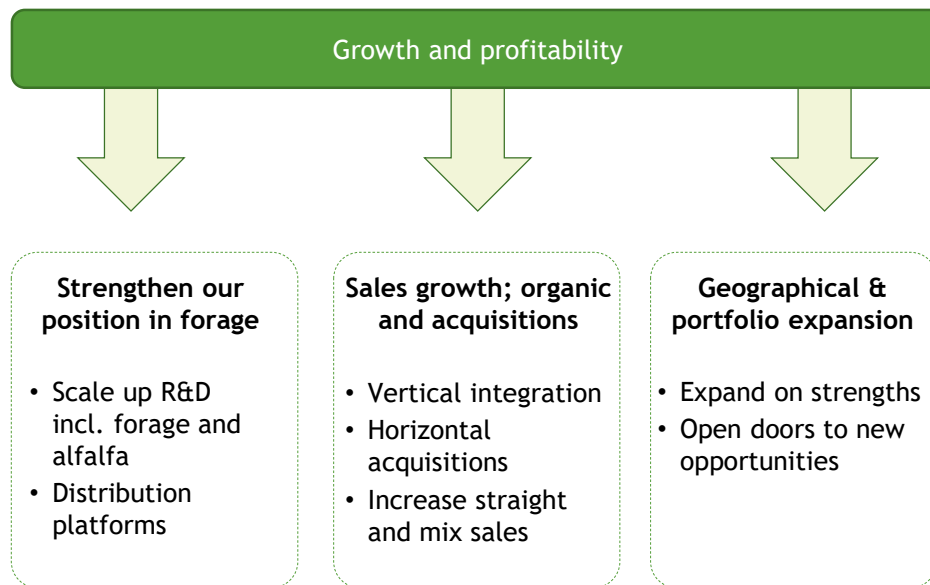
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With a science-based approach, growth is achieved through organic as well as acquisitive initiatives

A strong strategic ambition...



...with well-defined focus areas...

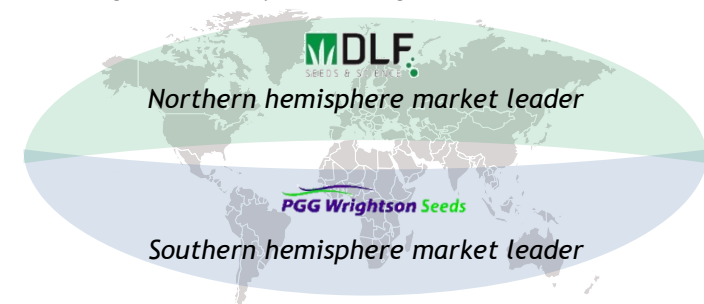


...materialising in specific implementation initiatives

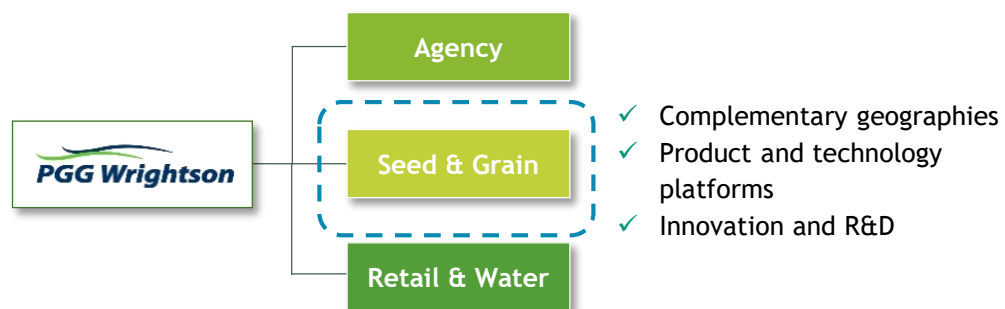
- Push all organic growth opportunities
- Increase our market presence, especially in
 - East and Central Europe
 - Southern hemisphere
- Explore acquisition targets where and when they surface



A global firm by combining two market leaders



The rationale for the acquisition of PGG Wrightson Seeds



PGG Wrightson Seeds (“PGW Seeds”) at a glance

PGG Wrightson operates in three main strategic segments of which the Seed & Grain division is the one that DLF A/S has acquired

- PGW Seeds produces and sells a range of seeds including grasses and brassica, and sells and buys grains to and from farmers
- PGW Seeds is the market leader within forage and turf in the Southern hemisphere
- With strong R&D, PGW Seeds is well positioned to expand into adjacent markets

Combining PGW Seeds and DLF will create significant value and synergies



Research & plant breeding

Combine the strongest gene pools in the Northern and Southern hemisphere

Create critical mass in R&D that will enable developing comprehensive in-house biotech platforms



A global sourcing platform

Unique sourcing platform with grower access in Europe, North America and New Zealand - the worlds main multiplication areas

Global supply chain allowing to take advantage of business cycles in the temperate zones



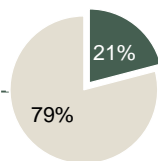
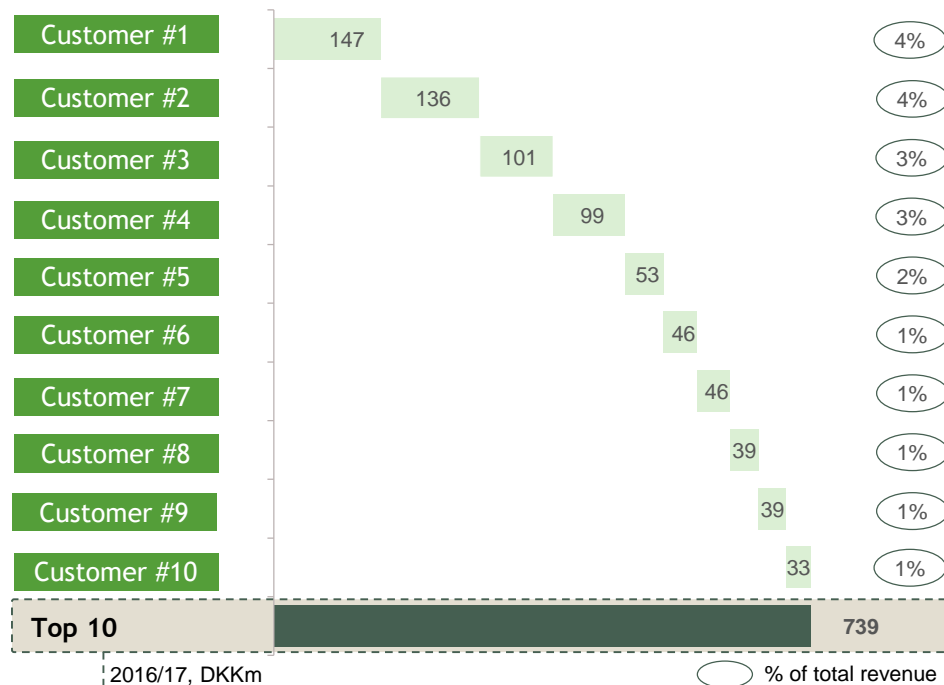
Product offering & global distribution power

Combined firm boasting complete product offering including forage, turf, fodder beets, brassica etc.

Full utilisation of extensive global distribution network

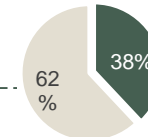
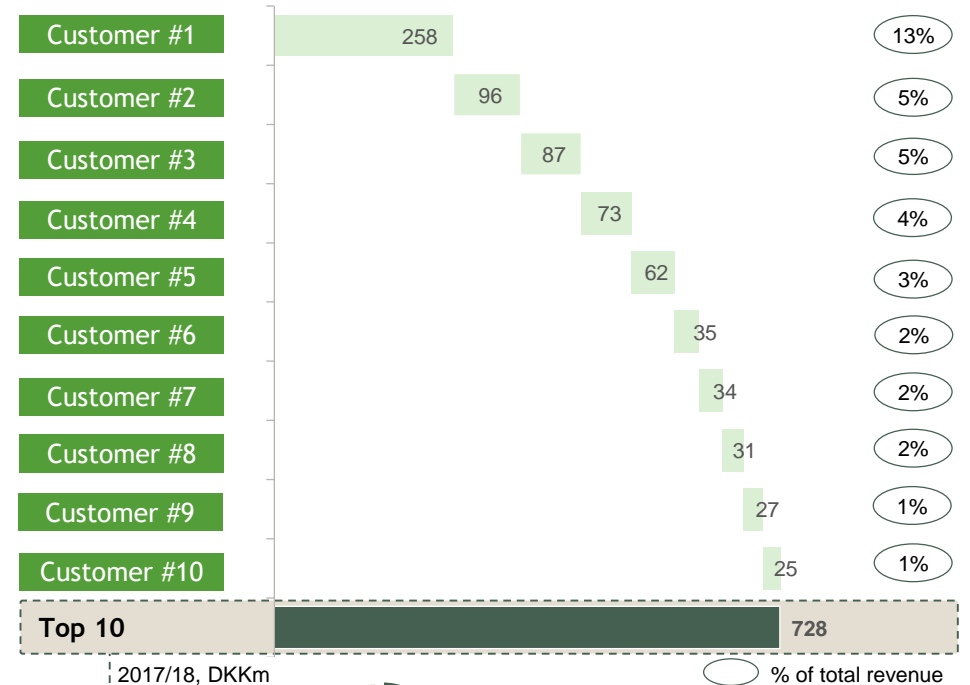
A combined DLF and PGW Seeds will diversify an already broad customer base for DLF

Top 10 DLF forage and turf customers



The 10 largest DLF customers account for 21% of total DLF revenue

Top 10 PGW Seeds customers

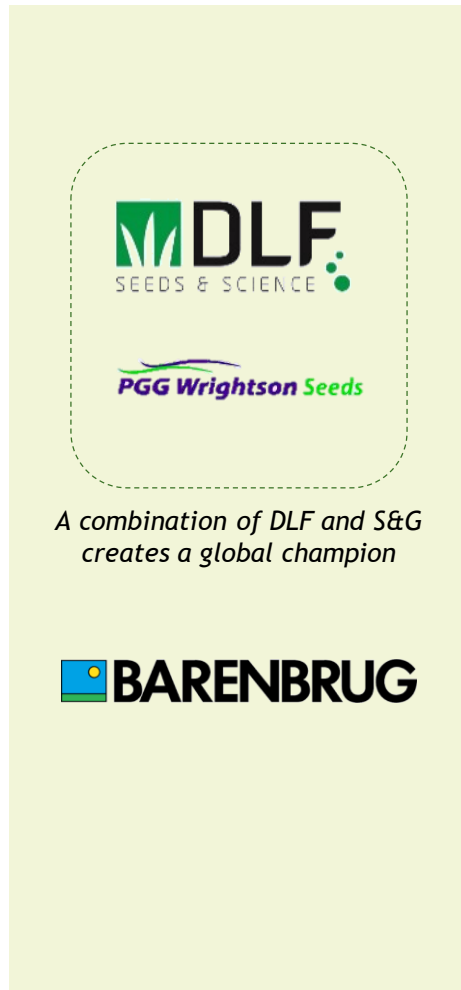


The 10 largest PGW Seeds customers account for 38% of total PGW Seeds revenue

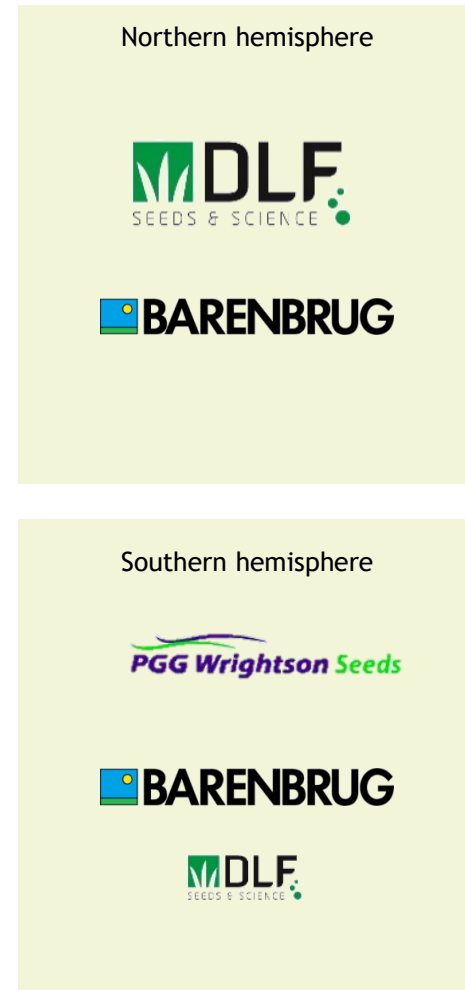
- There is no overlap in top 10 customers for DLF and PGW Seeds
- DLF's and PGW Seeds' customers are build on long term relationships and many have been customers at DLF for many years
- In connection with the sale of PGW Seeds to DLF A/S a long term distribution agreement has been agreed with PGG Wrightson (PGW Seeds Customer #1)

The competitive landscape in Europe and Oceania is consolidated whereas Americas is more fragmented

Global



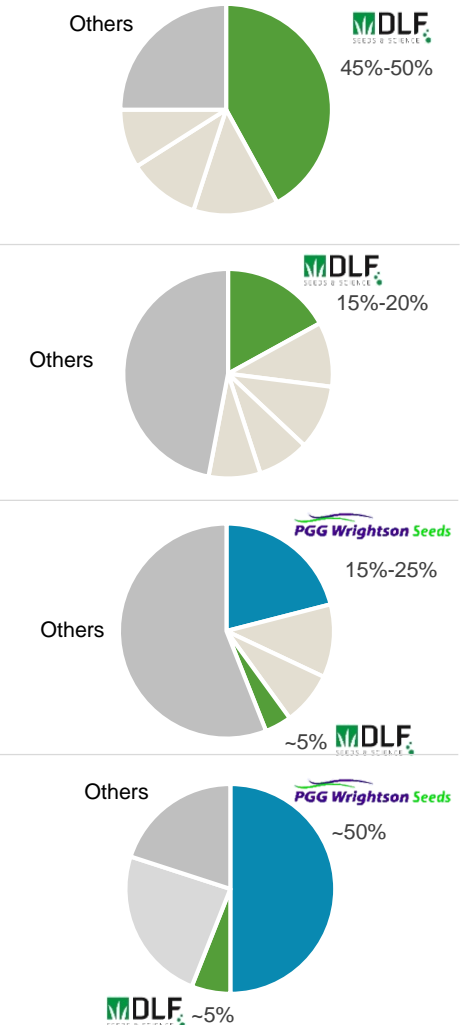
Hemisphere



Regional¹



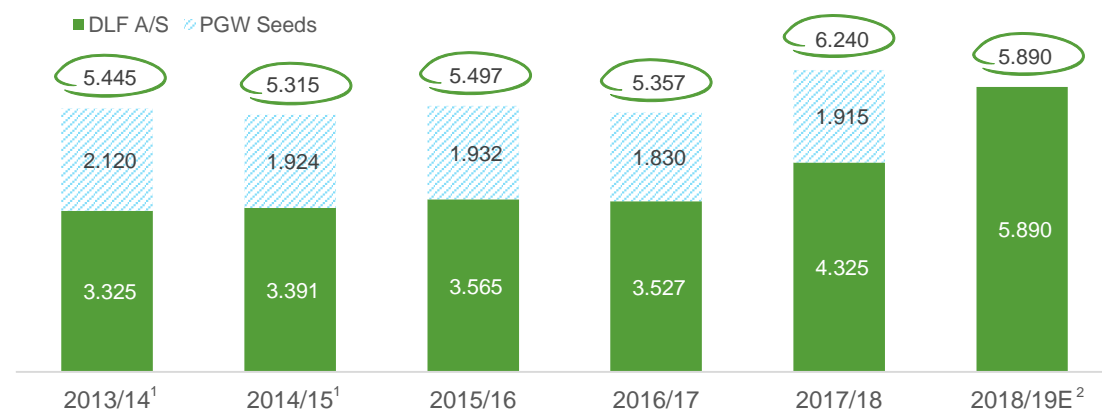
Estimated market shares



1) Selected players
Source: DLF management estimates

Steady growth in revenue with continued profitability

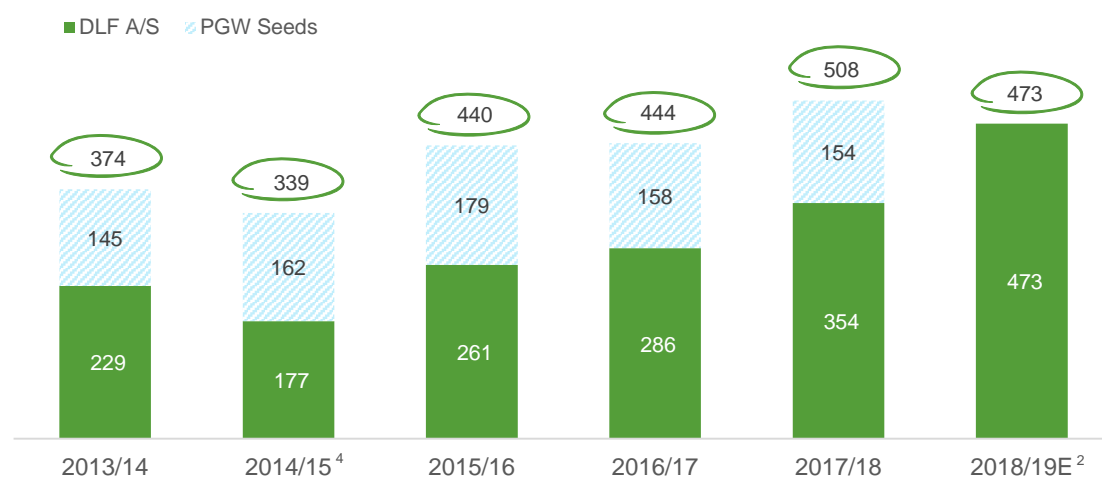
Revenue growth in combined entity, DKKm



Comments

- Revenue numbers based on standalone financials from the two entities before any potential synergies are realized. Expected synergies are not included in the numbers
- Opportunities for growth in the Southern Hemisphere primarily in South America
- The forecast is excluding PGW Seeds' budgeted revenue of DKK 951m from 1/7-2018 to 31/12-2018. The forecast depicted is thus not presenting a full financial year for the combined entity. Including the budgeted revenue from PGW Seeds would result in proforma forecasted revenue of DKK 6,841m

EBITDA³ growth in combined entity, DKKm



Comments

- EBITDA numbers are based on standalone financials from the two companies before any potential synergies are realized
- The increase in EBITDA from 2015/16 to 2016/17 was primarily driven by clover and grass seeds activities in Denmark and Holland. The increase from 2014/15 to 2015/16 was driven by an increase in the European and Canadian forage and turf activities. Sugar beets and Jensen Seeds are drivers of increasing EBITDA from 2016/17 to 2017/18
- New Zealand is the primary EBITDA contributor for PGW Seeds
- The forecast is excluding PGW Seeds' budgeted EBITDA of DKK 41m from 1/7-2018 to 31/12-2018. Including the budgeted EBITDA from PGW Seeds would result in proforma forecasted EBITDA of DKK 514m

Source: Company information and reported PGW Seeds segment numbers

Note: PGW Seeds values converted to DKK using an exchange rate per 22/10-2018 of NZDDKK = 4.2650 and all PGW Seeds numbers are rounded off to millions in NZD

1) Reported PGW Seeds revenues in 2013/14 and 2014/15 is adjusted for intercompany sales and 2013/14 is also adjusted for earnings from equity accounted investees

2) Estimated by DLF A/S including forecasted PGW Seeds consolidation starting from 31/12-2018 at expected closing of the acquisition

3) Stated PGW Seeds EBITDA is based on operational EBITDA. Stated DLF A/S EBITDA is full EBITDA

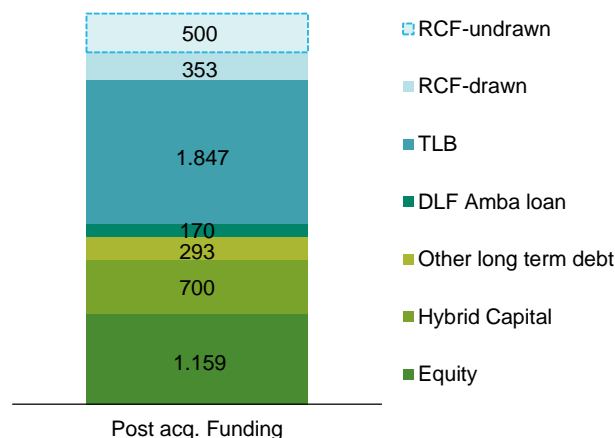
4) Extraordinary correction of DKK 44.5m in DLF EBITDA due to implementation of the purchase provision model retrospective to 2008/09. Reported PGW Seeds EBITDA in 2014/15 is adjusted for expense allocations

The Hybrid issue is the right fit for DLF in the post acquisition years

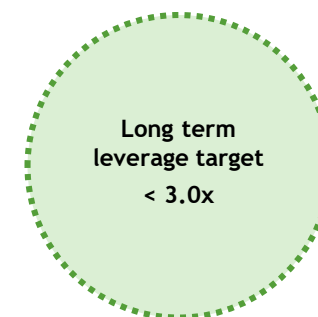
Comments

- The outlined capital structure is how it is expected to be post closing of the acquisition, where the new finance structure will start. The acquisition is expected to close on 31 December 2018
- The starting leverage of 5.6x is on the time where DLF A/S expects leverage to be the highest over the lifetime of the hybrid bond, also due to seasonality in NWC. DLF A/S expects leverage to be more than 1.0x lower at end of the financial year 2018/19. DLF A/S expects to reach its long term leverage target within 3.5 years
- The expected opening level for solvency is 34.9% at the 31 December 2018. DLF A/S has a long term solvency target of 45-50%
- Next to the hybrid a revolving facility of DKK853m and a term loan B of DKK1,847m will come into force³. The term loan B and RCF will have a maturity of 3 years with potential for extension

Expected capital structure, DKKm



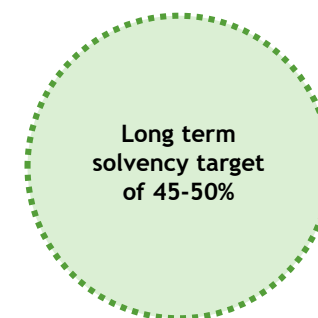
Leverage target¹



Expected capitalisation, DKKm

	Post acq. funding Proforma 31 Dec, 2018
Term Loan B	1,847
Revolving facility - drawn	353
DLF AmbA loan	170
Other long term debt	293
Cash	26
Net debt	2,638
Leverage	5.6x
Equity incl. the hybrid	1,859

Solvency target²



1) Leverage = NIBD / EBITDA

2) Solvency = Equity ultimo excl. minorities x 100 / Total assets

3) Expected split of term loan B versus RCF

DLF's credit highlights shows an attractive investment opportunity

1

Strong product portfolio



- Market leader in the northern and southern hemisphere in forage and turf
- Well positioned in attractive niche markets such as vegetable seeds, potatoes and sugar beets

2

Market leading R&D capabilities



- Highly R&D-driven and a vertically integrated value chain ensures a high degree of user/consumer driven innovation
- Plant breeding programmes across the world to produce varieties that flourish in any climate

3

Global player within niche market



- A full portfolio of sugar beet seeds with more than 100 different varieties
- 33 potato varieties with different attributes
- More than 300 varieties of grass

4

Unique supply chain



- Cooperative structure provides high levels of supply and quality with low business risk
- The global sourcing platform makes it possible to harness potential market opportunities globally

5

Proven acquisition capabilities



- Strengthening the geographical reach and product offering through successful acquisitions, such as PGW Seeds, MariboHillesehög, Cebeco, etc.
- Realized synergies through combined distribution channels, cost optimization and global R&D

6

Highly skilled organisation



- Highly experienced management team, with unique industry knowledge
- DLF's global leadership programme develops skilled managers and strong assets for attracting and retaining good employees

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Key terms and conditions for the hybrid notes

Issuer:	• DLF Seeds A/S
Country:	• Denmark
Rating:	• Unrated
Size:	• Up to EUR100m
Maturity:	• 1,000 years with maturity [•] 3018 (non call 4 years)
Status:	• Deeply subordinated. Senior only to ordinary shares
Call Schedule:	• After 4 years and every Interest Payment Date thereafter
Step-up:	• 500bps after 4 years
Interest rate:	• Fixed, annually in arrears (act/act). From the First Call Date the interest rate resets every 4 years to the then prevailing 4-year EUR swap rate plus the initial credit spread plus step-up
Interest Deferral:	• At the issuer's option on any interest payment date. Cumulative interest deferrals. Deferred coupons can be settled in cash at any time
Compulsory Payment Event:	• Mandatory payment of deferred interest upon payment of dividend to AmbA. Subject to certain carve-outs for Working Capital Loans, Seeds Settlement Holdback and Purchase Commission
Change of Control:	• Issuer call at 101%, if not used there will be an Interest Payment Step-up of 500bps
Acquisition failure call:	• Failure to consummate the Acquisition (Call @ 101%). Longstop is the date falling 12 months after 4 August 2018
Other call provisions:	• Tax Event (coupon and withholding tax) • Accounting Event • Replacing Capital Event (call @ 103%)
Docs:	• Standalone documentation, Danish law
Denomination:	• Wholesale denominations (EUR 100k + 1k)
Clearing:	• VP Securities A/S
Listing:	• Nasdaq First North, Denmark
Use of Proceeds:	• The Issuer shall use the net proceeds from the Initial Security Issue to partly finance the purchase price of the Acquisition ¹
Global Coordinator and Structuring Adviser:	• Nordea
Joint Bookrunners:	• Danske Bank, Nordea
Target market:	• Eligible counterparties, professional clients and certain retail investors (contact Bookrunners for full target market assessment). A PRIIPs KID in English and Danish language will be prepared and made available

1) A bridge is provided by the Joint Bookrunners

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DLF A/S' balance sheet

Assets

DKKm	2015/16	2016/17	2017/18	30/9 2018
Goodwill	54	53	73	102
Other intangible assets	38	27	40	8
INTANGIBLE ASSETS	93	80	113	109
Properties and buildings	454	433	498	513
Plants and equipment	101	100	175	179
Other plants, equipment and inventory	47	53	60	60
Advance payment and construction	3	9	15	7
TANGIBLE ASSETS	605	595	748	759
Equity in associated companies	1	1	2	-
Other securities	19	21	23	25
FINANCIAL ASSETS	20	22	25	25
TOTAL NON-CURRENT ASSETS	718	697	885	893
INVENTORY	841	677	833	1,030
Receivables from sales	536	467	879	836
Receivables from parent company	-	10	-	4
Receivables from corporate tax	7	5	4	-
Deferred tax assets	4	4	3	-
Other receivables	40	92	67	106
Accruals	14	14	24	52
RECEIVABLES	601	592	977	997
LIQUID FUNDS	29	190	19	55
TOTAL CURRENT ASSETS	1,471	1,459	1,828	2,082
TOTAL ASSETS	2,189	2,156	2,714	2,975

Equity and liabilities

DKKm	2015/16	2016/17	2017/18	30/9 2018
Share capital	64	64	64	64
Retained earnings	945	1,080	1,189	1,241
Suggested return for the fiscal year	70	5	50	-
EQUITY	1,079	1,149	1,304	1,305
MINORITY INTERESTS	15	16	18	18
Deferred tax liabilities	38	40	35	24
Other deferred liabilities	4	4	18	13
DEFERRED LIABILITIES	42	44	53	37
Debt to mortgage institutions	223	223	220	216
Other credit institutions	246	200	59	183
Subordinated loan capital	120	170	120	120
TOTAL LONG TERM DEBT	589	593	399	519¹
Long term debt due within 1 year	31	43	145	-
Other credit institutions	41	12	228	163
Trade payables	137	129	244	585
Debt to parent company	6	-	42	-
Corporate tax	17	18	32	28
Other debt	232	152	249	319
TOTAL SHORT TERM DEBT	464	355	940	1,096¹
TOTAL DEBT	1,053	947	1,339	1,615
TOTAL EQUITY AND LIABILITIES	2,189	2,156	2,714	2,975

Comments

- The acquisition of Maribo Hilleshög is the primary driver of the increase in tangible assets, inventories and trade debtors from 2016/17 to 2017/18
- The acquisition of Maribo Hilleshög is the primary driver of the increase in short-term debt from 2016/17 to 2017/18

Source: Company information

1) 30/9 2018 number for total long term debt and long term debt due within 1 year should be seen as one total balance sheet post

DLF A/S cash flow statement

Cash Flow Statement

DKKm	2015/16	2016/17	2017/18
Profit after tax	125	147	175
Result in associated companies	0	0	-1
Dividend from associated companies	-	0	0
Accounting impairments for special items	-	-	47
Other revenue from operations	-	-	-100
Provisions	16	3	-24
Depreciation, amortisation and impairments on intangible and tangible assets	68	71	115
Finances from annual operations	208	220	213
Δ in inventory	115	155	148
Δ in receivables	-19	10	-99
Δ in payables	30	-66	-54
Δ in receivables/payables in associated companies	-14	-16	52
Impairments on financial fixed assets and other value adjustments	-1	-	-
Δ in working capital	112	82	47
Cash flow from operations	320	303	260
Investments in intangible and tangible fixed assets	-67	-55	-75
Δ continual investments	11	-	-
Investments in associated companies	-92	-13	-360
Sale of intangible and tangible fixed assets	3	9	6
Minority share of equity	1	-	-
Cash flow from investments	-145	-59	-429
Cash flow from operations and investments	175	244	-169
Principal of long term debt	3	16	-71
Δ in bank loans	-154	-29	73
Dividends	-5	-70	-5
Cash flow from financing	-156	-84	-2
Net cash flow	19	161	-171
Liquidity primo	10	29	190
Liquidity ultimo	29	190	19

Source: Company information

Overview of preliminary combined financials

Preliminary combined key financials before any realized synergies¹

	PGW Seeds		DLF		Combined
DKKkm	2016/17	2017/18	2016/17	2017/18 ²	2017/18
Revenue	1,830	1,915	3,527	4,325	6,240
EBITDA	158	154	286	354	508
EBITDA Margin	8.6%	8.0%	8.1%	8.2%	8.1%
Assets	1,658	1,821	2,156	2,714	4,535
Capital expenditure	51	56	55	75	131

Source: Company information and reported PGW Seeds segment numbers



PGW Seeds values converted to DKK using an exchange rate per 22/10-2018 of NZDDKK = 4.2650

1) Combined numbers = PGW Seeds number + DLF number (numbers does not include any potential synergies)

2) La Crosse Seed, a distribution company in Wisconsin, was acquired on the last accounting day of the year in 2017/18 and revenue from La Crosse Seed is thus not included in the numbers

The acquisition of PGW Seeds creates a strong global player



Service offering	DLF	PGG S&G	Synergies
Forage & turf 	✓	✓	✓✓
Sugar & fodder beet 	✓	(✓) ¹	✓
Potato 	✓	-	-
Herbs 	-	✓	✓
Grain 	-	✓	-
Vegetable 	✓	-	✓

Source: Company information

1) Only fodder beets