



Viemose-Driboga A/S

Odensevej 38
5690 Tommerup
CVR No. 10531837

Annual report 2021

The Annual General Meeting adopted the
annual report on 29.04.2022

Carl Erik Skovgaard

Chairman of the General Meeting

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Entity details

Entity

Viemose-Driboga A/S

Odensevej 38

5690 Tommerup

Business Registration No.: 10531837

Registered office: Assens

Financial year: 01.01.2021 - 31.12.2021

Phone number: 64 75 20 00

URL: www.viemose-dgs.dk

Board of Directors

Trille Helle Korsgaard Kristensen

Carl Erik Skovgaard, formand

Vibeke Mortensen

Executive Board

Søren Evald Kristensen, adm. dir.

Steen Mortensen, direktør

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Tværkajen 5

P. O. Box 10

5100 Odense

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Viemose-Driboga A/S for the financial year 01.01.2021 - 31.12.2021.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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

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

Tommerup, 29.04.2022

Executive Board

Søren Evald Kristensen
adm. dir.

Steen Mortensen
direktør

Board of Directors

Trille Helle Korsgaard Kristensen

Carl Erik Skovgaard
formand

Vibeke Mortensen

Independent auditor's report

To the shareholders of Viemose-Driboga A/S

Opinion

We have audited the financial statements of Viemose-Driboga A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Odense, 29.04.2022

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Heino Hyllested Tholsgaard

State Authorised Public Accountant

Identification No (MNE) mne34511

Management commentary

Primary activities

The primary activities include selling moving gutter systems, vertical farming systems and benches.

The Entity's object is to trade with professional farmers and investors.

Development in activities and finances

Profit for the year is DKK 3,291k before tax and DKK 3,291k after tax.

The result is considered satisfactory and in line with the management's expectations.

The Entity is not subject to any material risk other than general industry risk including business and financial risk.

Uncertainty relating to recognition and measurement

For description of uncertainty relating to recognition and measurement, we refer to note 1.

Outlook

Management's expectations for the future are very positive and expects a profit for the year 2022 at DKK 3,5 – 3,8 millions.

Based on an increasing interest in the Company's products and the current order pipeline, it is the Management's assessment that in 2022 the result will be slightly better.

Events after the balance sheet date

Although the company currently has orders for Russia the conflict between Russia and Ukraine is not expected to affect the company's result for 2022.

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

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		13,748,978	9,882,674
Staff costs	2	(8,188,222)	(14,786,977)
Depreciation, amortisation and impairment losses	3	(1,246,926)	(1,277,649)
Operating profit/loss		4,313,830	(6,181,952)
Other financial income	4	9,653	199,423
Other financial expenses	5	(1,032,615)	(1,200,568)
Profit/loss before tax		3,290,868	(7,183,097)
Tax on profit/loss for the year		0	0
Profit/loss for the year		3,290,868	(7,183,097)
Proposed distribution of profit and loss			
Retained earnings		3,290,868	(7,183,097)
Proposed distribution of profit and loss		3,290,868	(7,183,097)

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Acquired licences		370,085	764,726
Intangible assets	6	370,085	764,726
Land and buildings		4,404,985	8,136,362
Plant and machinery		908,649	1,236,362
Other fixtures and fittings, tools and equipment		27,153	50,115
Property, plant and equipment	7	5,340,787	9,422,839
Fixed assets		5,710,872	10,187,565
Raw materials and consumables		2,856,509	3,526,061
Prepayments for goods		1,077,279	0
Inventories		3,933,788	3,526,061
Trade receivables		2,272,201	3,575,228
Contract work in progress	8	5,291,463	0
Receivables from group enterprises		20,429	1,400
Deferred tax		2,234,000	2,234,000
Other receivables		489,419	0
Prepayments		257,833	331,221
Receivables		10,565,345	6,141,849
Cash		2,518,048	39,233
Current assets		17,017,181	9,707,143
Assets		22,728,053	19,894,708

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital	9	2,763,240	2,763,240
Retained earnings		(2,237,208)	(5,528,076)
Equity		526,032	(2,764,836)
Mortgage debt		952,530	2,418,419
Lease liabilities		387,921	705,564
Other payables		1,726,109	1,220,585
Non-current liabilities other than provisions	10	3,066,560	4,344,568
Current portion of non-current liabilities other than provisions	10	651,656	860,459
Bank loans		8,346,611	7,262,164
Prepayments received from customers		0	11,481
Contract work in progress	8	1,083,665	1,827,010
Trade payables		6,686,863	6,661,486
Other payables		2,366,666	1,692,376
Current liabilities other than provisions		19,135,461	18,314,976
Liabilities other than provisions		22,202,021	22,659,544
Equity and liabilities		22,728,053	19,894,708
Uncertainty relating to recognition and measurement	1		
Contingent liabilities	11		
Assets charged and collateral	12		

Statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	2,763,240	(5,528,076)	(2,764,836)
Profit/loss for the year	0	3,290,868	3,290,868
Equity end of year	2,763,240	(2,237,208)	526,032

Notes

1 Uncertainty relating to recognition and measurement

The value of deferred tax amounting to DKK 2,234k is based on Management's expectations of future earnings.

2 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	7,283,462	13,175,093
Pension costs	643,576	1,034,506
Other social security costs	42,128	73,843
Other staff costs	219,056	503,535
	8,188,222	14,786,977
Average number of full-time employees	12	22

3 Depreciation, amortisation and impairment losses

	2021 DKK	2020 DKK
Amortisation of intangible assets	394,641	368,959
Depreciation of property, plant and equipment	852,285	908,690
	1,246,926	1,277,649

4 Other financial income

	2021 DKK	2020 DKK
Other interest income	605	439
Exchange rate adjustments	9,048	198,984
	9,653	199,423

5 Other financial expenses

	2021 DKK	2020 DKK
Financial expenses from group enterprises	0	28,286
Other interest expenses	548,837	500,944
Exchange rate adjustments	75,204	328,901
Other financial expenses	408,574	342,437
	1,032,615	1,200,568

6 Intangible assets

	Acquired licences DKK
Cost beginning of year	1,839,682
Cost end of year	1,839,682
Amortisation and impairment losses beginning of year	(1,074,956)
Amortisation for the year	(394,641)
Amortisation and impairment losses end of year	(1,469,597)
Carrying amount end of year	370,085

7 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	22,171,611	10,860,858	5,059,468
Disposals	(10,886,950)	0	0
Cost end of year	11,284,661	10,860,858	5,059,468
Depreciation and impairment losses beginning of year	(14,035,249)	(9,624,496)	(5,009,353)
Depreciation for the year	(501,610)	(327,713)	(22,962)
Reversal regarding disposals	7,657,183	0	0
Depreciation and impairment losses end of year	(6,879,676)	(9,952,209)	(5,032,315)
Carrying amount end of year	4,404,985	908,649	27,153
Recognised assets not owned by entity	0	882,965	0

8 Contract work in progress

	2021 DKK	2020 DKK
Contract work in progress	9,750,969	379,282
Progress billings regarding contract work in progress	(5,543,171)	(2,206,293)
Transferred to liabilities other than provisions	1,083,665	1,827,011
	5,291,463	0

9 Share capital

	Number	Par value DKK	Nominal value DKK	Recorded par value DKK
Aktier	2,763,240	1.00	2,763,240	2,763,240
	2,763,240		2,763,240	2,763,240

10 Non-current liabilities other than provisions

	Due within 12 months 2021 DKK	Due within 12 months 2020 DKK	Due after more than 12 months 2021 DKK
Mortgage debt	288,841	543,102	952,530
Lease liabilities	362,815	317,357	387,921
Other payables	0	0	1,726,109
	651,656	860,459	3,066,560

11 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Drivhus Holding A/S, Tommerup serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

12 Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties. The mortgage also comprises the plant and machinery deemed part of the property.

Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor on plant of t.DKK 5,300 nominal.

Bank loans are further secured by way of deposited all-moneys mortgage nominal t.DKK 30,000. The mortgage comprises inventories, debtors, vehicles, operating equipment and intellectual property rights. The carrying amount of mortgaged assets is t.DKK 6,435.

The carrying amount of mortgaged properties is t.DKK 4,405 the carrying amount of mortgaged plant is t.DKK 936.

Certain items of plant and machinery, and other fixtures etc have been financed by means of finance leases. The carrying amount of assets held under finance leases is t.DKK 883.

Through it's bank, the company has postet performance bonds ammounting to t.DKK 5,729.

Accounting policies

Reporting class

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

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

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

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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

Balance sheet**Intellectual property rights etc**

Intellectual property rights etc comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets

and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each asset.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

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

Buildings	40 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

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

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

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

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Lease liabilities

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.