AgroSoft A/S

Torvegade 82, 7160 Tørring

CVR no. 10 61 50 89

Annual report 2018

Approved at the Company's annual general meeting on 17 June 2019

Chairman:

....

Building a better working world

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of AgroSoft A/S for the financial year 1 January - 31 December 2018.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Tørring, 29 May 2019
Executive Board:

Jacob Rasmussen

Board of Directors:

Cornelis Peter Van van der Weg	Peter Enevoldsen	Jan Pieter Bijkerk

Independent auditor's report

To the shareholders of AgroSoft A/S

Opinion

We have audited the financial statements of AgroSoft A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 as to 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 the 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.

Independent auditor's report

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, 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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Horsens, 29 May 2019
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Morten Klarskov Larsen
State Authorised Public Accountant
mne32736

Management's review

Company details

Name	AgroSoft A/S
Address, Postal code, City	Torvegade 82, 7160 Tørring
CVR no.	10 61 50 89
Established	1 January 1987
Registered office	Hedensted
Financial year	1 January - 31 December
Board of Directors	Cornelis Peter Van van der Weg Peter Enevoldsen Jan Pieter Bijkerk
Executive Board	Jacob Rasmussen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Holmboes Allé 12, 8700 Horsens, Denmark

Management's review

Business review

AgroSoft produces programs of a high and lasting quality that are constantly adjusting to future demands.

AgroSoft is Scandinavia's largest producer of pig management software.

Financial review

In 2018, the Company's revenue amounted to DKK 14,965,458 against DKK 15,932,807 last year. The income statement for 2018 shows a profit of DKK 2,289,621 against a profit of DKK 1,925,384 last year, and the balance sheet at 31 December 2018 shows equity of DKK 6,339,367.

Management considers the Company's financial performance in the year satisfactory.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2018	2017
	Revenue	14,965,458	15,932,807
	External expenses	-3,462,085	-3,840,128
	Gross margin	11,503,373	12,092,679
2	Staff costs	-8,680,566	-9,750,373
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-124,996	-172,132
	Other operating expenses	0	-35,833
	Profit before net financials	2,697,811	2,134,341
	Income from investments in group entities	203,395	245,277
	Financial income	3,345	7,603
	Financial expenses	-25,601	-20,400
	Profit before tax	2,878,950	2,366,821
3	Tax for the year	-589,329	-441,437
	Profit for the year	2,289,621	1,925,384

	Recommended appropriation of profit		
	Proposed dividend recognised under equity	2,000,000	2,000,000
	Net revaluation reserve according to the equity method	-71,107	119,704
	Retained earnings/accumulated loss	360,728	-194,320
		2,289,621	1,925,384

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2018	2017
	ASSETS		
	Fixed assets		
4	Intangible assets		
	Goodwill	0	0
		0	0
5	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	157,927	252,101
	Leasehold improvements	0	7,247
		157,927	259,348
6	Investments		
	Investments in subsidiaries	723,241	800,847
	Other receivables	150,000	150,000
		873,241	950,847
	Total fixed assets	1,031,168	1,210,195
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	48,000	153,000
		48,000	153,000
	Receivables		
	Trade receivables	2,551,849	3,088,362
	Deferred tax assets	87,727	93,264
	Other receivables	47,300	0
	Prepayments	137,973	75,356
		2,824,849	3,256,982
	Cash	5,037,526	3,947,588
	Total non-fixed assets	7,910,375	7,357,570
	TOTAL ASSETS	8,941,543	8,567,765

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2018	2017
	EQUITY AND LIABILITIES		
	Equity		
7	Share capital	526,315	526,315
	Net revaluation reserve according to the equity method	234,250	311,855
	Retained earnings	3,578,802	3,218,074
	Dividend proposed for the year	2,000,000	2,000,000
	Total equity	6,339,367	6,056,244
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	182,533	103,443
	Income taxes payable	302,792	472,340
	Other payables	1,840,349	1,726,228
	Deferred income	276,502	209,510
		2,602,176	2,511,521
	Total liabilities other than provisions	2,602,176	2,511,521
	TOTAL EQUITY AND LIABILITIES	8,941,543	8,567,765

1 Accounting policies
8 Contractual obligations and contingencies, etc.
9 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Dividend proposed for the year	Total
Equity at 1 January 2017	526,315	209,497	3,412,394	1,500,000	5,648,206
Transfer through appropriation of profit	0	119,704	-194,320	2,000,000	1,925,384
Exchange adjustment	0	-17,346	0	0	-17,346
Dividend distributed	0	0	0	-1,500,000	-1,500,000
Equity at 1 January 2018	526,315	311,855	3,218,074	2,000,000	6,056,244
Transfer through appropriation of profit	0	-71,107	360,728	2,000,000	2,289,621
Exchange adjustment	0	-6,498	0	0	-6,498
Dividend distributed	0	0	0	-2,000,000	-2,000,000
Equity at 31 December 2018	526,315	234,250	3,578,802	2,000,000	6,339,367

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of AgroSoft A/S for 2018 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

In accordance with section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of service agreements and software is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be measured reliably and payment is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the entity's core activities, including gains or losses on the sale of fixed assets.

External expenses

External expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Goodwill	5 years
Other fixtures and fittings, tools and equipment	5-6 years
Leasehold improvements	5 years

Profit from investments in subsidiaries

The item includes the entity's proportionate share of the profit/loss for the year in subsidiaries after elimination of intra-group income or losses.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management’s experience in the individual business segments.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Investments in subsidiaries

Investments in subsidiaries are measured, using the equity method, at the parent's proportionate share of such entities' equity plus intra-group losses and less intra-group gains, if any.

Investments in subsidiaries and associates with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such entities are written down in so far as the amount receivable is considered irrecoverable

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed.

Dividend received is deduced from the carrying amount.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

	DKK	2018	2017
2	Staff costs		
	Wages/salaries	7,636,896	8,620,349
	Pensions	850,068	926,669
	Other social security costs	193,602	203,355
		8,680,566	9,750,373
	Average number of full-time employees	15	16

		2018	2017
3	Tax for the year		
	Estimated tax charge for the year	583,792	472,340
	Deferred tax adjustments in the year	5,537	-4,239
	Tax adjustments, prior years	0	-26,664
		589,329	441,437

4 Intangible assets

DKK	Goodwill
Cost at 1 January 2018	150,000
Cost at 31 December 2018	150,000
Impairment losses and amortisation at 1 January 2018	150,000
Impairment losses and amortisation at 31 December 2018	150,000
Carrying amount at 31 December 2018	0

5 Property, plant and equipment

DKK	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2018	539,671	248,075	787,746
Additions in the year	23,575	0	23,575
Cost at 31 December 2018	563,246	248,075	811,321
Impairment losses and depreciation at 1 January 2018	287,570	240,828	528,398
Amortisation/depreciation in the year	117,749	7,247	124,996
Impairment losses and depreciation at 31 December 2018	405,319	248,075	653,394
Carrying amount at 31 December 2018	157,927	0	157,927

Financial statements 1 January - 31 December

Notes to the financial statements

6 Investments

DKK	Investments in subsidiaries	Other receivables	Total
Cost at 1 January 2018	488,992	150,000	638,992
Cost at 31 December 2018	488,992	150,000	638,992
Value adjustments at 1 January 2018	311,855	0	311,855
Exchange adjustment	-6,498	0	-6,498
Dividend distributed	-274,503	0	-274,503
Share of the profit/loss for the year	203,395	0	203,395
Value adjustments at 31 December 2018	234,249	0	234,249
Carrying amount at 31 December 2018	723,241	150,000	873,241

Name	Domicile	Interest	Equity DKK	Profit/loss DKK
Subsidiaries				
AgroSoft Ltd	Ipswich, England	100.00%	352,325	19,687
AgroSoft Oy	Seinäjoki, Finland	100.00%	136,864	39,857
AgroSoft Poland Sp. z o.o.	Naklo n. Not, Polen	99.00%	236,416	145,304

DKK	2018	2017
7 Share capital		
Analysis of the share capital:		
1,000 A- shares of DKK 500.00 nominal value each	500,000	500,000
5,263 B- shares of DKK 5.00 nominal value each	26,315	26,315
	526,315	526,315

8 Contractual obligations and contingencies, etc.

Other financial obligations

Rent and lease liabilities include a rent obligation totalling DKK 585 thousand in interminable rent agreements with remaining contract terms of 12-36 month.

9 Related parties

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
AgroVision B.V.	Deventer, Netherland	AgroVision B.V.