

AgroSoft A/S

Torvegade 82, 7160 Tørring

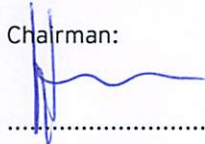
CVR no. 10 61 50 89

Annual report 2017

Approved at the Company's annual general meeting on

23 ^{May} ~~April~~ 2018

Chairman:


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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 2017.

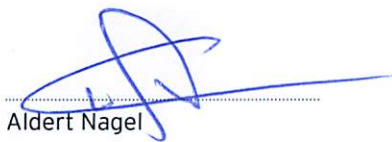
The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017.

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

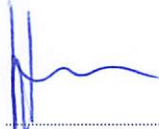
We recommend that the annual report be approved at the annual general meeting.

Tørring, 30 April 2018
Executive Board:

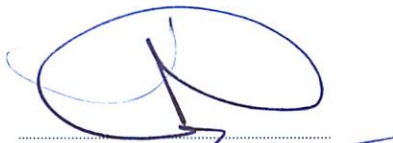


Aldert Nagel

Board of Directors:



Karel Heijink
Chairman



Cornelis Peter Van van der
Weg



Peter Enevoldsen

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 2017, 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 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 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.
- ▶ 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.

Independent auditor's report

- ▶ 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, 30 April 2018

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Morten Klarskov Larsen
State Authorised Public Accountant
MNE no.: 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	Karel Heijink, Chairman Cornelis Peter Van van der Weg Peter Enevoldsen
Executive Board	Aldert Nagel
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 swine management software.

Financial review

In 2017, the Company's revenue amounted to DKK 15,932,807 against DKK 16,280,080 last year. The income statement for 2017 shows a profit of DKK 1,925,384 against a profit of DKK 2,488,056 last year, and the balance sheet at 31 December 2017 shows equity of DKK 6,056,244.

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	2017	2016
	Revenue	15,932,807	16,280,080
	External expenses	-3,840,128	-3,769,483
	Gross margin	12,092,679	12,510,597
2	Staff costs	-9,750,373	-9,222,336
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-172,132	-244,801
	Other operating expenses	-35,833	-17,933
	Profit before net financials	2,134,341	3,025,527
	Income from investments in group entities	245,277	130,351
	Financial income	7,603	3,145
	Financial expenses	-20,400	-3,820
	Profit before tax	2,366,821	3,155,203
3	Tax for the year	-441,437	-667,147
	Profit for the year	1,925,384	2,488,056
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	2,000,000	1,500,000
	Net revaluation reserve according to the equity method	119,704	100,134
	Retained earnings/accumulated loss	-194,320	887,922
		1,925,384	2,488,056

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2017	2016
	ASSETS		
	Fixed assets		
4	Intangible assets		
	Goodwill	0	27,500
		<u>0</u>	<u>27,500</u>
5	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	252,101	387,171
	Leasehold improvements	7,247	30,507
		<u>259,348</u>	<u>417,678</u>
6	Investments		
	Investments in group entities, net asset value	800,847	698,489
	Receivables from group entities	0	0
	Other receivables	150,000	150,000
		<u>950,847</u>	<u>848,489</u>
	Total fixed assets	<u>1,210,195</u>	<u>1,293,667</u>
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	153,000	90,000
		<u>153,000</u>	<u>90,000</u>
	Receivables		
	Trade receivables	3,088,362	3,361,074
	Deferred tax assets	93,264	89,025
	Other receivables	0	18,415
	Prepayments	75,356	121,297
		<u>3,256,982</u>	<u>3,589,811</u>
	Cash	<u>3,947,588</u>	<u>3,533,137</u>
	Total non-fixed assets	<u>7,357,570</u>	<u>7,212,948</u>
	TOTAL ASSETS	<u>8,567,765</u>	<u>8,506,615</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2017</u>	<u>2016</u>
	EQUITY AND LIABILITIES		
	Equity		
7	Share capital	526,315	526,315
	Net revaluation reserve according to the equity method	311,855	209,497
	Retained earnings	3,218,074	3,412,394
	Dividend proposed for the year	<u>2,000,000</u>	<u>1,500,000</u>
	Total equity	<u>6,056,244</u>	<u>5,648,206</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	103,443	136,854
	Income taxes payable	472,340	605,450
	Other payables	1,726,228	1,909,122
	Deferred income	<u>209,510</u>	<u>206,983</u>
		<u>2,511,521</u>	<u>2,858,409</u>
	Total liabilities other than provisions	<u>2,511,521</u>	<u>2,858,409</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>8,567,765</u></u>	<u><u>8,506,615</u></u>

- 1 Accounting policies
- 8 Contractual obligations and contingencies, etc.
- 9 Collateral
- 10 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 2016	526,315	157,544	2,524,472	1,617,622	4,825,953
Transfer through appropriation of profit	0	100,134	887,922	1,500,000	2,488,056
Exchange adjustment	0	-48,181	0	0	-48,181
Dividend distributed	0	0	0	-1,617,622	-1,617,622
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 31 December 2017	526,315	311,855	3,218,074	2,000,000	6,056,244

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of AgroSoft A/S for 2017 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

Income from the sale of goods and finished goods is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and 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.

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income 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

Items of 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.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

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.

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".

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

DKK	2017	2016
2 Staff costs		
Wages/salaries	8,620,349	8,135,867
Pensions	926,669	942,484
Other social security costs	203,355	143,985
	9,750,373	9,222,336
 Average number of full-time employees	 16	 16
3 Tax for the year		
Estimated tax charge for the year	472,340	674,696
Deferred tax adjustments in the year	-4,239	-7,549
Tax adjustments, prior years	-26,664	0
	441,437	667,147

Financial statements 1 January - 31 December

Notes to the financial statements

4 Intangible assets

DKK	<u>Goodwill</u>
Cost at 1 January 2017	150,000
Cost at 31 December 2017	150,000
Impairment losses and amortisation at 1 January 2017	122,500
Amortisation/depreciation in the year	27,500
Impairment losses and amortisation at 31 December 2017	150,000
Carrying amount at 31 December 2017	<u>0</u>

5 Property, plant and equipment

DKK	<u>Other fixtures and fittings, tools and equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
Cost at 1 January 2017	880,036	248,075	1,128,111
Additions in the year	62,135	0	62,135
Disposals in the year	-402,500	0	-402,500
Cost at 31 December 2017	539,671	248,075	787,746
Impairment losses and depreciation at 1 January 2017	492,865	217,568	710,433
Amortisation/depreciation in the year	121,372	23,260	144,632
Reversal of amortisation/depreciation and impairment of disposals	-326,667	0	-326,667
Impairment losses and depreciation at 31 December 2017	287,570	240,828	528,398
Carrying amount at 31 December 2017	<u>252,101</u>	<u>7,247</u>	<u>259,348</u>

Financial statements 1 January - 31 December

Notes to the financial statements

6 Investments

DKK	Investments in group entities, net asset value	Receivables from group entities	Other receivables	Total
Cost at 1 January 2017	488,992	68,880	150,000	707,872
Disposals in the year	0	-68,880	0	-68,880
Cost at 31 December 2017	488,992	0	150,000	638,992
Value adjustments at 1 January 2017	209,497	-68,880	0	140,617
Exchange adjustment	-17,346	0	0	-17,346
Dividend distributed	-125,572	0	0	-125,572
Share of the profit/loss for the year	222,216	0	0	222,216
Reversal of prior year impairment losses	23,060	68,880	0	91,940
Value adjustments at 31 December 2017	311,855	0	0	311,855
Carrying amount at 31 December 2017	800,847	0	150,000	950,847

Name	Domicile	Interest	Equity DKK	Profit/loss DKK
Subsidiaries				
AgroSoft Ltd	Ipswich, England	100.00%	463,303	141,602
AgroSoft Oy	Seinäjoki, Finland	100.00%	379,714	11,036
AgroSoft Poland Sp. z o.o.	Naklo n. Not, Polen	99.00%	93,574	70,281

DKK	2017	2016
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 liabilities include a rent obligation totalling DKK 363 thousand in interminable rent agreements with remaining contract terms of 12-48 month.

Financial statements 1 January - 31 December

Notes to the financial statements

9 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2017.

10 Related parties

Information about consolidated financial statements

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

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
AgroVision B.V.	Keulenstraat 15, 7400 ET Deventer, Netherland
Landbrug & Fødevarer f.m.b.a.	Axeltorv 3, 1609 Copenhagen V, Denmark