

# **FarrowTech ApS**

Kastbjergvej 18  
2750 Ballerup

Annual report  
2 March 2015 - 30 June 2016

**The annual report has been presented and  
approved on the company's general meeting the**

**21/09/2016**

**Jakob Skårhøj**  
**Chairman of general meeting**

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# Company information

**Reporting company** FarrowTech ApS  
Kastbjergvej 18  
2750 Ballerup

Phone number: 20722052  
e-mail: jakob.skaarhoej@farrowtech.dk  
CVR-nr: 36554290  
Reporting period: 02/03/2015 - 30/06/2016

**Main financial institution** Nordea  
Prinsensgade 15  
9000 Aalborg  
DK Denmark

# Statement by Management

The Management has today discussed and approved the annual report for the financial year 2 March 2015 – 30 June 2016 of FarrowTech ApS. The annual report has been presented in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 30 June 2016 and of the results of the Company's operations for the financial year 2 March 2015 – 30 June 2016.

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

Ballerup, the 19/08/2016

## Executive board

Jakob Boss Skårhøj  
CEO

Morten Bo Lindholm Mikkelsen  
CTO

# Management's Review

## **Main activity**

FarrowTech is a startup company developing an automatic supervision system for farrowing sows. The system being developed recognizes the beginning of the farrowing process and counts the number of born piglets, but also records the time interval between subsequent piglet births and transmits a warning message to a mobile device if there is risk of birth complications. The farmer is provided with an overview of the status of all the farrowing sows, and he can thus decide whether his interaction is required.

## **Development in the year**

FarrowTech was founded 2015. This year the company has mainly focused on developing the prototype. The development has progressed as planned.

FarrowTech has participated in different innovation contests. FarrowTech was among received an award from Agro Business Park for the valuable work being done towards finding solution to solve the problem of large piglet mortality in Danish pig production.

## **Expectation for the coming year**

FarrowTech expects to finalize the prototype, have it tested and sell the first devices for reaches. Final product maturation will be initiated.

The company expect to commence dialogue with various potential investors to find a strategy to scale and grow.

## **Subsequent events**

There have been no significant subsequent events at the time of submitting the annual report.

# Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class B.

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## Accounting policies

The annual report for 2015/2016 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

## Income statement

### Revenue

Income from the sale of services is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place, the income may be reliably measured and is expected to be received.

Revenue is measured at fair value of the agreed remuneration excluding VAT and taxes charged on behalf of third parties. All forms of discounts granted are deducted from revenue.

### Staff costs

Staff costs comprise salaries and wages, including holiday allowance, pension and other social security costs, etc. to the Company's employees excluding refunds from public authorities.

### Other operating costs

Other operating costs comprise items secondary to the Company's activities, including loss on the sale of intangible assets and property, plant and equipment.

## Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Financial items comprise interest income and interest expense.

Dividends from investments in subsidiaries are recognised in the income statement in the year when the dividends are declared.

## Tax on profit/loss for the year

The Company is comprised by the Danish rules on compulsory joint taxation of the Group's Danish companies. The Company serves as the administrative company for the joint taxation and consequently settles all payments of corporation tax with the tax authorities. Current Danish corporation tax is allocated by the settlement of joint taxation contributions between the jointly taxed enterprises in proportion to their taxable income. In relation thereto, enterprises with tax losses receive joint taxation contributions from enterprises which have been able to use this loss to reduce their tax loss.

Tax for the year comprises current tax and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

## Balance sheet

### Equipment

IT equipment, fixtures and fittings are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation, which is calculated as cost less any residual values after the end of the useful life, is depreciated on a straight-line basis over the estimated useful life. .

### **Receivables**

Receivables are measured at amortised cost, which corresponds to nominal value. The value is reduced by write-down for bad debts.

### **Prepayments**

Prepayments comprise costs incurred concerning subsequent financial years.

### **Equity**

#### *Dividends*

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

### **Corporation tax and deferred tax**

Current tax payable and receivable is recognised on the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account. Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; 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. Deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement and in equity.

### **Liabilities**

Financial liabilities are recognised at cost at the date of borrowing, equivalent to proceeds received less transaction costs paid. Other liabilities are measured at net realisable value.

# Income statement 2 Mar 2015 - 30 Jun 2016

	Disclosure	2015/16
		kr.
Revenue .....		0
Cost of production .....		0
<b>Gross Result .....</b>		<b>0</b>
Distribution costs .....		0
Administrative expenses .....		-2,651
Other operating income .....		159,200
Other operating expenses .....		-142,278
<b>Profit (loss) from ordinary operating activities .....</b>		<b>14,271</b>
Other finance income from group enterprises .....		0
Other finance income .....		0
Other finance expenses .....		0
<b>Profit (loss) from ordinary activities before tax .....</b>		<b>14,271</b>
Tax expense .....		0
<b>Profit (loss) .....</b>		<b>14,271</b>
<b>Proposed distribution of profit (loss)</b>		
Proposed dividend recognised in equity .....		14,271
Reserve for net revaluation according to equity method .....		0
Retained earnings .....		0
<b>Gross .....</b>		<b>14,271</b>



# Balance sheet 30 June 2016

## Assets

	Disclosure	2015/16 kr.
Goodwill .....		0
<b>Intangible assets</b> .....		<b>0</b>
Land and buildings .....		0
Plant and machinery .....		0
Fixtures, fittings, tools and equipment .....		0
<b>Property, plant and equipment</b> .....		<b>0</b>
Investments in group enterprises .....		0
Investments in associates .....		0
Other investments .....		0
<b>Investments</b> .....		<b>0</b>
<b>Total non-current assets</b> .....		<b>0</b>
Raw materials and consumables .....		0
Manufactured goods and goods for resale .....		0
<b>Inventories</b> .....		<b>0</b>
Trade receivables .....		0
Contract work in progress .....		0
Receivables from group enterprises .....		0
Receivables from associates .....		0
Tax receivables .....		13,987
Other receivables .....		0
<b>Receivables</b> .....		<b>13,987</b>
Other investments .....		0
<b>Investments</b> .....		<b>0</b>
Cash and cash equivalents .....		50,284
<b>Current assets</b> .....		<b>64,271</b>
<b>Total assets</b> .....		<b>64,271</b>

# Balance sheet 30 June 2016

## Liabilities and equity

	Disclosure	2015/16
		kr.
Contributed capital .....		50,000
Retained earnings .....		14,271
<b>Total equity .....</b>		<b>64,271</b>
Provisions for deferred tax .....		0
<b>Provisions, gross .....</b>		<b>0</b>
Mortgage debt .....		0
Debt to banks .....		0
<b>Long-term liabilities other than provisions, gross .....</b>		<b>0</b>
<b>Liabilities other than provisions, gross .....</b>		<b>0</b>
<b>Liabilities and equity, gross .....</b>		<b>64,271</b>

# Statement of changes in equity 2 Mar 2015 - 30 Jun 2016

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Proposed dividend recognised in equity</b>	<b>Total</b>
	<b>kr.</b>	<b>kr.</b>	<b>kr.</b>	<b>kr.</b>
Equity, beginning balance .....	50,000			50,000
Betalt udbytte .....			0	0
Årets resultat .....		14,271		14,271
Equity, ending balance .....	50,000	14,271	0	64,271

# Disclosures

## 1. Disclosure of ownership

### Ownership

The company has registered the following owners with a share of more than 5% of the companies shares:

JB Skaarhoej Holding IVS, Kastbjergvej 18, 2750 Ballerup  
MBLM Holding, Søparkvej 3, 8220 Brabrand