

## **Agro Intelligence ApS**

Agro Food Park 13

8200 Aarhus N

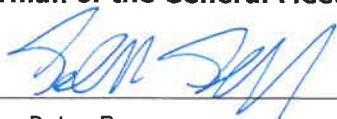
Business Registration No

36942975

## **Annual report 2018**

The Annual General Meeting adopted the annual report on 23.05.2019

**Chairman of the General Meeting**



Name: Peter Bager

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## Entity details

### Entity

Agro Intelligence ApS  
Agro Food Park 13  
8200 Aarhus N

Central Business Registration No (CVR): 36942975

Registered in: Aarhus

Financial year: 01.01.2018 - 31.12.2018

### Board of Directors

Peter Bager, Chairman  
Svend Mousten Hansén  
Christoffer Hage  
Ole Green  
Anders Geert Jensen

### Executive Board

Ole Green

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
City Tower, Værkmestergade 2  
8000 Aarhus C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Agro Intelligence ApS for the financial year 01.01.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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.

Aarhus, 23.05.2019

### Executive Board



Ole Green

### Board of Directors



Peter Bager  
Chairman



Svend Moustén Hansen

Christoffer Hage



Ole Green



Anders Geert Jensen

# Independent auditor's report

## To the shareholders of Agro Intelligence ApS

### Opinion

We have audited the financial statements of Agro Intelligence ApS for the financial year 01.01.2018 - 31.12.2018, 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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 of 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 requirements. 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:

## Independent auditor's report

- 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.

## Independent auditor's report

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.

Aarhus, 23.05.2019

### Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556



Klaus Tvede-Jensen

State Authorised Public Accountant

Identification No (MNE) mne23304

## Management commentary

### Primary activities

The vision of AGROINTELLI is to make global food production more reliable, sustainable and profitable through integration of new agronomic knowledge, scientific results and technical innovations. With a mission to offer a generic fully automated farming system for arable farming on the global market. The vision and mission update also represent a shift in the company strategy, as more focus today is on the development of AGROINTELLI's own products over consultancy work and sales of technology.

The company's main activity is to develop equipment for agricultural production, especially solutions within automation and decision support systems for arable farming, e.g. the Robotti platform for automated arable farming and horticultural production. Products as e.g. stand-alone cameras are primarily brought to the market through license sales through major machinery manufacturers and suppliers of farm management systems – whereas the Robotti platform is sold to farmers through AGROINTELLI dealer network.

### Development in activities and finances

AGROINTELLI has successfully continued the sale of stand-alone camera system for e.g. weed intensity mapping and performed consultancy tasks for international agricultural producers. Though the strategy shift towards the maturing and commercialization of the Robotti platform during 2018 has strategically been allocated a larger part of the available development resources.

Development in activities and financial position for the year shows a negative result of DKK 2.798k after tax. The Result has been expected by the management as resources spent on the development of own technologies does not generate a surplus. The negative result has been budgeted to match the profit generated in 2017. The company continues to invest significantly in new innovative products and technologies as the interest from the market on Robotti has been beyond expectation and AGROINTELLI will continue to invest in the scale up of the production of Robotti.

### Events after the balance sheet date

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

## Income statement for 2018

	<b>Notes</b>	<b>2018 DKK</b>	<b>2017 DKK</b>
<b>Gross profit</b>		<b>6.051.474</b>	<b>8.894.932</b>
Staff costs	1	(8.121.435)	(5.184.221)
Depreciation, amortisation and impairment losses		(395.983)	(444.223)
<b>Operating profit/loss</b>		<b>(2.465.944)</b>	<b>3.266.488</b>
Other financial income		64.821	771
Other financial expenses	2	(1.139.041)	(432.726)
<b>Profit/loss before tax</b>		<b>(3.540.164)</b>	<b>2.834.533</b>
Tax on profit/loss for the year	3	741.825	(638.399)
<b>Profit/loss for the year</b>		<b>(2.798.339)</b>	<b>2.196.134</b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		(2.798.339)	2.196.134
		<b>(2.798.339)</b>	<b>2.196.134</b>

## Balance sheet at 31.12.2018

	Notes	2018 DKK	2017 DKK
Completed development projects		1.737.241	1.035.702
Acquired licences		36.575	55.359
Development projects in progress		22.748.032	14.878.797
<b>Intangible assets</b>	4	<b>24.521.848</b>	<b>15.969.858</b>
Plant and machinery		1.578.082	0
Other fixtures and fittings, tools and equipment		174.797	135.583
<b>Property, plant and equipment</b>	5	<b>1.752.879</b>	<b>135.583</b>
Deposits		339.773	40.206
<b>Fixed asset investments</b>		<b>339.773</b>	<b>40.206</b>
<b>Fixed assets</b>		<b>26.614.500</b>	<b>16.145.647</b>
Raw materials and consumables		253.909	239.692
<b>Inventories</b>		<b>253.909</b>	<b>239.692</b>
Trade receivables		1.860.555	168.963
Other receivables		4.263.191	3.515.229
Income tax receivable		1.948.825	906.601
Prepayments		202.527	126.819
<b>Receivables</b>		<b>8.275.098</b>	<b>4.717.612</b>
<b>Cash</b>		<b>5.833</b>	<b>18.526</b>
<b>Current assets</b>		<b>8.534.840</b>	<b>4.975.830</b>
<b>Assets</b>		<b>35.149.340</b>	<b>21.121.477</b>

## Balance sheet at 31.12.2018

	Notes	2018 DKK	2017 DKK
Contributed capital	6	83.057	83.057
Reserve for development expenditure		14.701.561	8.016.357
Retained earnings		(9.628.700)	(145.157)
<b>Equity</b>		<b>5.155.918</b>	<b>7.954.257</b>
Deferred tax		4.713.000	3.506.000
<b>Provisions</b>		<b>4.713.000</b>	<b>3.506.000</b>
Subordinate loan capital		8.688.621	686.577
Trade payables		678.500	2.244.000
<b>Non-current liabilities other than provisions</b>		<b>9.367.121</b>	<b>2.930.577</b>
Bank loans		6.636.851	4.424.704
Trade payables		3.883.790	942.482
Payables to shareholders and management	7	1.938.650	0
Other payables		2.248.273	1.363.457
Deferred income		1.205.737	0
<b>Current liabilities other than provisions</b>		<b>15.913.301</b>	<b>6.730.643</b>
<b>Liabilities other than provisions</b>		<b>25.280.422</b>	<b>-9.661.220</b>
<b>Equity and liabilities</b>		<b>35.149.340</b>	<b>21.121.477</b>
Unrecognised rental and lease commitments	8		
Contingent liabilities	9		
Assets charged and collateral	10		

## Statement of changes in equity for 2018

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	83.057	8.016.357	(145.157)	7.954.257
Transfer to reserves	0	6.685.204	(6.685.204)	0
Profit/loss for the year	0	0	(2.798.339)	(2.798.339)
<b>Equity end of year</b>	<b>83.057</b>	<b>14.701.561</b>	<b>(9.628.700)</b>	<b>5.155.918</b>

## Notes

	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>1. Staff costs</b>		
Wages and salaries	11.872.264	7.798.460
Pension costs	1.458.904	915.522
Other social security costs	707.573	630.441
Other staff costs	428.089	231.047
Staff costs classified as assets	(6.345.395)	(4.391.249)
	<b>8.121.435</b>	<b>5.184.221</b>
 Average number of employees	 <b>20</b>	 <b>12</b>

	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>2. Other financial expenses</b>		
Other interest expenses	859.092	420.991
Exchange rate adjustments	56.640	771
Other financial expenses	223.309	10.964
	<b>1.139.041</b>	<b>432.726</b>

	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>3. Tax on profit/loss for the year</b>		
Current tax	(1.948.825)	(906.601)
Change in deferred tax	1.207.000	1.545.000
	<b>(741.825)</b>	<b>638.399</b>

## Notes

	Completed develop- ment projects DKK	Acquired licences DKK	Develop- ment projects in progress DKK
<b>4. Intangible assets</b>			
Cost beginning of year	1.090.213	56.250	15.240.501
Additions	989.062	0	7.869.235
<b>Cost end of year</b>	<b>2.079.275</b>	<b>56.250</b>	<b>23.109.736</b>
Amortisation and impairment losses beginning of year	(54.511)	(891)	(361.704)
Amortisation for the year	(287.523)	(18.784)	0
<b>Amortisation and impairment losses end of year</b>	<b>(342.034)</b>	<b>(19.675)</b>	<b>(361.704)</b>
<b>Carrying amount end of year</b>	<b>1.737.241</b>	<b>36.575</b>	<b>22.748.032</b>

### Development projects

Development projects in progress comprise from the development of projects regarding innovative agricultural technologies. The carrying amount end of year amounts to DKK 22.748.032. The first products has been completed and the next are expected to be completed during 2019 and the marketing and sales has already begun.

The products are expected to bring significant benefits to users and thus expected a significant increase in activity and results of the company for 2019 and forward.

Management has conducted impairment tests of the carrying amounts of development projects in progress. The utility value is calculated on the basis of expected net cash flows based on budgets and sales analysis for the years 2019-2023 approved by management.

## Notes

	<b>Plant and machinery DKK</b>	<b>Other fixtures and fittings, tools and equipment DKK</b>
<b>5. Property, plant and equipment</b>		
Cost beginning of year	0	162.700
Additions	1.601.177	105.795
<b>Cost end of year</b>	<b>1.601.177</b>	<b>268.495</b>
Depreciation and impairment losses beginning of year	0	(27.117)
Depreciation for the year	(23.095)	(66.581)
<b>Depreciation and impairment losses end of year</b>	<b>(23.095)</b>	<b>(93.698)</b>
<b>Carrying amount end of year</b>	<b>1.578.082</b>	<b>174.797</b>

	<b>Number</b>	<b>Nominal value DKK</b>	<b>Share of contributed capital %</b>	<b>Purchase/(s elling) price DKK</b>
<b>6. Treasury shares</b>				
Investments disposed of:				
Shares	7.229	7.229	10,0	(449.765)
	<b>7.229</b>	<b>7.229</b>	<b>10,0</b>	

## 7. Payables to shareholders and management

Agro Intelligence ApS decided an increase of equity by issuing 3.306 new shares for DKK 650 each. In total an increase of DKK 2.148.900. The increase of equity was registered at the Danish authorities 03.01.2019.

Payables to shareholders and management was the amount paid in 31.12.2018.

	<b>2018 DKK</b>	<b>2017 DKK</b>
<b>8. Unrecognised rental and lease commitments</b>		
Liabilities under rental or lease agreements until maturity in total	<b>776.295</b>	<b>217.929</b>

## 9. Contingent liabilities

None.

## Notes

## 10. Assets charged and collateral

The company has issued a floating charge to the company's bank capped at MDKK 4,5 in unsecured claims, inventories, machinery, goodwill, etc.

The company has issued a floating charge to Vækstfonden capped at MDKK 6 in unsecured claims, inventories, machinery, goodwill, etc.

The booked value of intangible assets is KDKK 24.522 and property, plant and equipment is KDKK 1.753.

## 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 certain 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, 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 from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### 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.

## Accounting policies

### Staff costs

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

### Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as equipment.

### Other financial income

Other financial income comprises interest income etc.

### Other financial expenses

Other financial expenses comprise interest expenses net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as 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 development projects completed and in progress with related intellectual property rights and acquired intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

## Accounting policies

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised 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

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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.

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:

Other fixtures and fittings, tools and equipment	3 years
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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.

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.

### Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

### Prepayments

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

### Cash

Cash comprises cash in hand and bank deposits.

## Accounting policies

### Treasury shares

Acquisition and selling prices and dividends for treasury shares are classified directly as equity under retained earnings. Gains and losses on sale are not recognised in the income statement. Capital reduction by cancellation of treasury shares reduces the contributed capital by an amount corresponding to the nominal value.

### 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 or the planned settlement of each liability.

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.

### Other financial liabilities

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

### Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.