



Agro Intelligence ApS

Agro Food Park 13
8200 Aarhus N
CVR No. 36942975

Annual report 2019

The Annual General Meeting adopted the
annual report on 22.09.2020

Peter Bager

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2019	8
Balance sheet at 31.12.2019	9
Statement of changes in equity for 2019	11
Notes	12
Accounting policies	15

Entity details

Entity

Agro Intelligence ApS

Agro Food Park 13

8200 Aarhus N

CVR No.: 36942975

Registered office: Aarhus

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Peter Bager, Chairman

Svend Mousten Hansen

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

The Board of Directors and the Executive Board have today considered and approved the annual report of Agro Intelligence ApS for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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, 22.09.2020

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 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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:

- 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.

Aarhus, 22.09.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 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 company's main activity is to develop equipment for automated and optimized agricultural production, specifically the Robotti platform for use in arable farming and, horticultural production. The products of the company are primarily sold to farmers through AGROINTELLI dealer network.

Description of material changes in activities and finances

AGROINTELLI has successfully initiated sales of the Robotti platform to customers in Europe as well as continued the sale of stand-alone camera system and performed consultancy tasks for international agricultural producers. The consultancy task customers have reacted negatively to the announcement of the Robotti platform as AGROINTELLI are now seen more as a potential competitor. The announcement has affected the business area with a decline in turnover that has been significantly more drastically than expected.

Development in activities and financial position for the year shows a negative result of DKK 6.906k 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 matched with a similar equity investment by the owners. The company continues to invest significantly in the Robotti platform as the interest from the market for 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

The coronavirus / COVID-19 outbreak has escalated in early 2020, and on 11 March 2020, the WHO has declared the outbreak a worldwide pandemic. The outbreak has resulted in a number of precautions that affect the organization and operation of day-to-day operations, and the company's suppliers and customers may be affected. Its financial impact cannot be determined at this time.

After the balance sheet date, no significant events of significance to the annual report have occurred.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		2,254,086	6,051,474
Staff costs	1	(8,692,636)	(8,121,435)
Depreciation, amortisation and impairment losses		(1,195,536)	(395,983)
Operating profit/loss		(7,634,086)	(2,465,944)
Other financial income		4,403	64,821
Other financial expenses	2	(1,293,090)	(1,139,041)
Profit/loss before tax		(8,922,773)	(3,540,164)
Tax on profit/loss for the year	3	2,016,536	741,825
Profit/loss for the year		(6,906,237)	(2,798,339)
Proposed distribution of profit and loss			
Retained earnings		(6,906,237)	(2,798,339)
Proposed distribution of profit and loss		(6,906,237)	(2,798,339)

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Completed development projects	5	6,727,266	1,737,241
Acquired licences		17,791	36,575
Development projects in progress	5	27,199,374	22,748,032
Intangible assets	4	33,944,431	24,521,848
Plant and machinery		688,136	1,578,082
Other fixtures and fittings, tools and equipment		194,774	174,797
Leasehold improvements		119,991	0
Property, plant and equipment	6	1,002,901	1,752,879
Deposits		508,239	339,773
Other financial assets		508,239	339,773
Fixed assets		35,455,571	26,614,500
Raw materials and consumables		1,558,881	253,909
Inventories		1,558,881	253,909
Trade receivables		32,709	1,860,555
Other receivables		5,204,544	4,263,191
Income tax receivable		2,310,536	1,948,825
Prepayments		207,705	202,527
Receivables		7,755,494	8,275,098
Cash		1,960,908	5,833
Current assets		11,275,283	8,534,840
Assets		46,730,854	35,149,340

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		97,898	83,057
Reserve for development expenditure		26,462,779	14,701,561
Retained earnings		(20,151,669)	(9,628,700)
Equity		6,409,008	5,155,918
Deferred tax		5,007,000	4,713,000
Provisions		5,007,000	4,713,000
Debt to other credit institutions		5,446,909	6,137,357
Trade payables		1,357,000	678,500
Payables to shareholders and management		6,515,601	2,551,264
Other payables		651,071	0
Non-current liabilities other than provisions	7	13,970,581	9,367,121
Current portion of non-current liabilities other than provisions	7	1,132,834	0
Bank loans		0	6,636,851
Convertible and dividend-yielding debt instruments		7,014,575	0
Prepayments received from customers		3,514,362	0
Trade payables		3,737,054	5,089,527
Payables to shareholders and management		2,017,438	1,938,650
Other payables		3,928,002	2,248,273
Current liabilities other than provisions		21,344,265	15,913,301
Liabilities other than provisions		35,314,846	25,280,422
Equity and liabilities		46,730,854	35,149,340
Unrecognised rental and lease commitments	8		
Contingent liabilities	9		
Assets charged and collateral	10		

Statement of changes in equity for 2019

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	83,057	14,701,561	(9,628,700)	5,155,918
Increase of capital	14,841	0	8,144,486	8,159,327
Transfer to reserves	0	11,761,218	(11,761,218)	0
Profit/loss for the year	0	0	(6,906,237)	(6,906,237)
Equity end of year	97,898	26,462,779	(20,151,669)	6,409,008

Notes

1 Staff costs

	2019 DKK	2018 DKK
Wages and salaries	15,098,158	11,872,264
Pension costs	1,841,671	1,458,904
Other social security costs	835,452	707,573
Other staff costs	438,840	428,089
	18,214,121	14,466,830
Staff costs classified as assets	(9,521,485)	(6,345,395)
	8,692,636	8,121,435
Average number of full-time employees	33	28

2 Other financial expenses

	2019 DKK	2018 DKK
Other interest expenses	1,230,530	859,092
Exchange rate adjustments	20,468	56,640
Other financial expenses	42,092	223,309
	1,293,090	1,139,041

3 Tax on profit/loss for the year

	2019 DKK	2018 DKK
Current tax	(2,310,536)	(1,948,825)
Change in deferred tax	294,000	1,207,000
	(2,016,536)	(741,825)

4 Intangible assets

	Completed development projects DKK	Acquired licences DKK	Development projects in progress DKK
Cost beginning of year	2,079,275	56,250	23,109,736
Transfers	6,414,569	0	(6,414,569)
Additions	905	0	11,620,861
Disposals	0	0	(754,950)
Cost end of year	8,494,749	56,250	27,561,078
Amortisation and impairment losses beginning of year	(342,034)	(19,675)	(361,704)
Amortisation for the year	(1,425,449)	(18,784)	0
Amortisation and impairment losses end of year	(1,767,483)	(38,459)	(361,704)
Carrying amount end of year	6,727,266	17,791	27,199,374

5 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 27.199.374. The first products has been completed and the next are expected to be completed during 2020 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 2020 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 2020-2024 approved by management.

6 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	1,601,177	268,495	0
Additions	717,205	115,032	130,527
Disposals	(1,625,491)	0	0
Cost end of year	692,891	383,527	130,527
Depreciation and impairment losses beginning of year	(23,095)	(93,698)	0
Depreciation for the year	(4,755)	(95,055)	(10,536)
Reversal regarding disposals	23,095	0	0
Depreciation and impairment losses end of year	(4,755)	(188,753)	(10,536)
Carrying amount end of year	688,136	194,774	119,991

7 Non-current liabilities other than provisions

	Due within 12 months	Due after more than 12 months
	2019	2019
	DKK	DKK
Debt to other credit institutions	691,184	5,446,909
Trade payables	0	1,357,000
Payables to shareholders and management	441,650	6,515,601
Other payables	0	651,071
	1,132,834	13,970,581

8 Unrecognised rental and lease commitments

	2019	2018
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	2,580,108	776,295

9 Contingent liabilities

None.

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 33.944 and property, plant and equipment is KDKK 1.003.

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, with a few reclassifications on the balance sheet.

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.

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 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 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, acquired intellectual property rights and prepayments for intangible assets.

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 less deferred tax 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. If the useful life cannot be estimated reliably, it is fixed at 10 years. 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.

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

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:

Plant and machinery	4 years
Other fixtures and fittings, tools and equipment	2-10 years
Leasehold improvements	10-20 years

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 bank deposits.

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.

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.