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# ***Cowconnect ApS***

Middelfartvej 77, DK-5466 Asperup

## **Annual Report for 1 September 2021 - 31 August 2022**

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CVR No. 38 54 66 35

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 27-02-2023

Chairman of the  
general meeting

DocuSigned by:



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## Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of Cowconnect ApS for the financial year 1 September 2021 - 31 August 2022.

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 at 31 August 2022 of the Company and of the results of the Company operations for 2021/22.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.


We recommend that the Financial Statements be adopted at the Annual General Meeting.


Asperup, 27 February 2023

### Executive Board


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Joshua Kevin Hoopes  
CEO

### Board of Directors

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Dean Gil Barclay

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José Jorge Nobre

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Scott Michael Gurvis

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Joshua Kevin Hoopes

# Independent Practitioner's Extended Review Report

To the shareholder of Cowconnect ApS

## Conclusion

We have performed an extended review of the Financial Statements of Cowconnect ApS for the financial year 1 September 2021 - 31 August 2022, which comprise 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.

Based on the work performed, in our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 August 2022 and of the results of the Company's operations for the financial year 1 September 2021 - 31 August 2022 in accordance with the Danish Financial Statements Act.

## Basis for Conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## Management's responsibility 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.

## Practitioner's responsibilities for the extended review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures to obtain limited assurance in respect of our conclusion on the Financial Statements and, moreover, that we perform supplementary procedures specifically required to obtain additional assurance in respect of our conclusion.

An extended review consists of making inquiries, primarily of Management and others within the enterprise, as appropriate, and applying analytical procedures and the supplementary procedures specifically required as well as assessing the evidence obtained.

An extended review is less in scope than an audit and, consequently, we do not express an audit opinion on the Financial Statements.

## Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

## Independent Practitioner's Extended Review Report

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

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

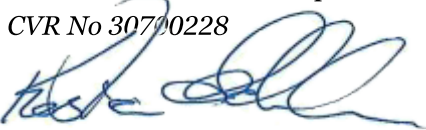
Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Herning, 27 February 2023

**EY Godkendt Revisionspartnerselskab**

Statsautoriseret Revisionspartnerselskab

CVR No 30700228



Karsten Mehlsen

statsautoriseret revisor

mne18473

## Company information

<b>The Company</b>	Cowconnect ApS Middelfartvej 77 DK-5466 Asperup  CVR No: 38 54 66 35 Financial period: 1 September 2021 - 31 August 2022 Municipality of reg. office: Middelfart
<b>Board of Directors</b>	Jóse Jorge Nobre Scott Michael Gurvis Joshua Kevin Hoopes Dean Gil Barclay
<b>Executive board</b>	Joshua Kevin Hoopes
<b>Auditors</b>	EY Godkendt Revisionspartnerselskab Statsautoriseret Revisionspartnerselskab Dalgasgade 27, 3 7400 Herning
<b>Bankers</b>	Fynske Bank A/S Østergade 4 5500 Middelfart

# Management's review

## Key activities

Since incorporation the Company has operated as a data and technology business within the agricultural industry.

Cowconnect sells user friendly feed management solutions to global dairy farmers, offering plug and play hardware boxes for animal feed-wagons that collect comprehensive feed data. This data can be accessed by a cloud-based application, allowing precision feeding and real time feedback and analysis. The application is sold as a subscription. The system is intuitive, easy to operate and delivers an improved overview on feed-intake, efficiency and costs. This helps farmers increase their profit and save time on their daily feedings.

## Development in the year

### Financial position

The principal key performance indicators used by management to monitor performance are profit before taxation and revenue. The loss before taxation was 4,625.460 DKK (last year 4,548,928 DKK), revenue for the year was 11.832.563 DKK (last year 11,147,939 DKK).

The company financial loss for 2021/22 has resulted in a negative equity as of 31. August 2022. The company expects the equity to be recovered within a short period of years from earnings.

### Outlook and expectations

The Company operates mainly in Europe from its Danish offices. The Future outlook of the company is to continue to operate as a data and technology business, growing the subscriber base. In financial year 2023 the business intends to focus on four key territories, being Denmark, Germany, UK and the United States.

### Business review

The full results for the year ended 31 August 2022 are set out on page 6. Loss on ordinary activities before taxation amounted to 4,625.460 DKK (31 August 2021 – loss of 4,548,928). The Company continued to provide digital products and data insight to customers throughout the period.

### Principal risks and uncertainties

The principal risks and uncertainties which the Company faces are:

- The Company has a limited ability to protect its intellectual property rights, and others could obtain and use the Company's technology without authorisation; and
- The Company may be exposed to significant liability if it infringes the intellectual property or proprietary rights of others.

### Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

### Going concern

The Company has received a letter of support from its intermediate parent company, ABF Investments plc, indicating that it will receive the financial and other support necessary for the Company to trade and meet its liabilities as and when they become due for a period of twelve months from the date of signing of these financial statements.

## Income statement 1 September 2021 - 31 August 2022

	Note	2021/22 DKK	2020/21 DKK
<b>Gross profit</b>		<b>1,057,874</b>	<b>1,798,023</b>
Staff expenses	2	-5,410,603	-6,199,536
Depreciation and impairment losses of property, plant and equipment		-69,400	-69,396
<b>Profit/loss before financial income and expenses</b>		<b>-4,422,129</b>	<b>-4,470,909</b>
Financial expenses		-203,331	-78,019
<b>Profit/loss before tax</b>		<b>-4,625,460</b>	<b>-4,548,928</b>
Tax on profit/loss for the year	3	1,017,057	997,265
<b>Net profit/loss for the year</b>		<b>-3,608,403</b>	<b>-3,551,663</b>

## Distribution of profit

	2021/22 DKK	2020/21 DKK
<b>Proposed distribution of profit</b>		
Retained earnings	-3,608,403	-3,551,663
	<b>-3,608,403</b>	<b>-3,551,663</b>



## Balance sheet 31 August 2022

### Assets

	Note	2021/22 DKK	2020/21 DKK
Other fixtures and fittings, tools and equipment		62,187	131,587
<b>Property, plant and equipment</b>	<b>4</b>	<b>62,187</b>	<b>131,587</b>
Deposits	5	46,375	46,375
<b>Fixed asset investments</b>		<b>46,375</b>	<b>46,375</b>
<b>Fixed assets</b>		<b>108,562</b>	<b>177,962</b>
<b>Inventories</b>	<b>6</b>	<b>1,510,702</b>	<b>1,111,838</b>
Trade receivables		1,202,554	2,687,185
Other receivables		156,940	3,355
Deferred tax asset	7	1,106,052	88,995
Corporation tax receivable from group enterprises		831,908	1,120,464
Prepayments		976,544	155,371
<b>Receivables</b>		<b>4,273,998</b>	<b>4,055,370</b>
<b>Cash at bank and in hand</b>		<b>1,421,678</b>	<b>446,559</b>
<b>Current assets</b>		<b>7,206,378</b>	<b>5,613,767</b>
<b>Assets</b>		<b>7,314,940</b>	<b>5,791,729</b>

## Balance sheet 31 August 2022

### Liabilities and equity

	Note	2021/22 DKK	2020/21 DKK
Share capital		50,000	50,000
Retained earnings		-7,623,747	-4,015,344
<b>Equity</b>		<b>-7,573,747</b>	<b>-3,965,344</b>
Credit institutions		167,035	247,897
Trade payables		617,801	839,790
Payables to associates		13,112,860	4,668,811
Other payables		438,025	2,315,328
Deferred income		552,966	1,685,247
<b>Short-term debt</b>		<b>14,888,687</b>	<b>9,757,073</b>
<b>Debt</b>		<b>14,888,687</b>	<b>9,757,073</b>
<b>Liabilities and equity</b>		<b>7,314,940</b>	<b>5,791,729</b>

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## Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 September	50,000	-4,015,344	-3,965,344
Net profit/loss for the year	0	-3,608,403	-3,608,403
<b>Equity at 31 August</b>	<b>50,000</b>	<b>-7,623,747</b>	<b>-7,573,747</b>

# Notes to the Financial Statements

## 1. Going concern

The Company has received a letter of support from its intermediate parent company, ABF Investments plc, indicating that it will receive the financial and other support necessary for the Company to trade and meet its liabilities as and when they become due for a period of twelve months from the date of signing of these financial statements.

## 2. Staff Expenses

	2021/22 DKK	2020/21 DKK
Wages and salaries	4,750,220	5,921,207
Pensions	560,205	194,861
Other social security expenses	0	25,385
Other staff expenses	100,178	58,083
	<u>5,410,603</u>	<u>6,199,536</u>
 Average number of employees	 <u>8</u>	 <u>8</u>

## 3. Income tax expense

	2021/22 DKK	2020/21 DKK
Current tax for the year	0	-920,678
Deferred tax for the year	-1,017,057	-76,587
	<u>-1,017,057</u>	<u>-997,265</u>

## Notes to the Financial Statements

### 4. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 September	382,000
Cost at 31 August	382,000
Impairment losses and depreciation at 1 September	250,413
Depreciation for the year	69,400
Impairment losses and depreciation at 31 August	319,813
Carrying amount at 31 August	62,187

### 5. Other fixed asset investments

	Deposits
	DKK
Cost at 1 September	46,375
Cost at 31 August	46,375
Carrying amount at 31 August	46,375

### 6. Inventories

	2021/22	2020/21
	DKK	DKK
Finished goods and goods for resale	1,510,702	1,111,838
	1,510,702	1,111,838

## Notes to the Financial Statements

	2021/22	2020/21
	DKK	DKK
<b>7. Deferred tax asset</b>		
Deferred tax asset at 1 September	88,995	12,408
Amounts recognised in the income statement for the year	1,017,057	76,587
<b>Deferred tax asset at 31 August</b>	<b>1,106,052</b>	<b>88,995</b>

	2021/22	2020/21
	DKK	DKK
<b>8. Contingent assets, liabilities and other financial obligations</b>		

### Charges and security

The following assets have been placed as security with bankers:

Other fixtures, fittings, tools and equipment	270,000	71,500
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### Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of AB Neo A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

## 9. Related parties and disclosure of consolidated financial statements

### Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company.

Name	Place of registered office
Associated British Foods Plc, London.	No. 293262 at Weston Centre, 10 Grosvenor Street, London W1K 4QY

# Notes to the Financial Statements

## 10. Accounting policies

The Annual Report of Cowconnect ApS for 2021/22 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021/22 are presented in DKK.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

## Income statement

### Net sales

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

### Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

### Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and as well as office expenses, etc.

### Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

# Notes to the Financial Statements

## Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of 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.

## Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with group company. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

# Balance sheet

## Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	5 years
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The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

## Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

If so, the asset is written down to its lower recoverable amount.

## Other fixed asset investments

Other fixed asset investments consist of deposit.

## Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The cost of goods for resale equals landed cost.



# Notes to the Financial Statements

## Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

## Prepayments

Prepayments comprise prepaid expenses concerning insurance.

## Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

## Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

## Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

## Deferred income

Deferred income comprises payments received in respect of income in subsequent years.