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NABO FARM APS
SILJANGADE 8, 2300 KØBENHAVN S
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2022

The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 12 July 2023

Birgitte Hetland Bülow

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COMPANY DETAILS

Company	Nabo Farm ApS Siljangade 8 2300 Copenhagen S
	CVR No.: 39 92 06 89
	Established: 4 October 2018
	Municipality: Copenhagen
	Financial Year: 1 January - 31 December
Board of Directors	Birgitte Hetland Bülow, chairman Jakob Heiberg, deputy chairman Jens Juul Krogshede Sebastian Dragelykke Jacob Kampp Berliner
Executive Board	Sebastian Dragelykke Jens Juul Krogshede
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
Bank	Arbejdernes Landsbank Nørrebrogade 50-52 2200 Copenhagen N
Law Firm	Drachmann Advokater Nordhavnsvej 1 3000 Helsingør

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Nabo Farm ApS for the financial year 1 January - 31 December 2022.

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 Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 12 July 2023

Executive Board

Sebastian Dragelykke

Jens Juul Krogshede

Board of Directors

Birgitte Hetland Bülow
Chairman

Jakob Heiberg
Deputy chairman

Jens Juul Krogshede

Sebastian Dragelykke

Jacob Kampp Berliner

THE INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Nabo Farm ApS

Conclusion

We have performed an extended review of the Financial Statements of Nabo Farm ApS for the financial year 1 January - 31 December 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 under the Danish Financial Statements Act.

Based on the work performed in our opinion, the Financial Statements give a true and fair view of the Company's financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 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 "Auditor'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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements 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.

Emphasis of matter

We draw attention to the note "Conditions for going concern". It states that the Company's operation is secured through a declaration of support from the main part of the Company's capital owners.

This relationship has not resulted in a modification to our conclusion.

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 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 in order to obtain limited assurance for our conclusion on the Financial Statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the Financial Statements.

THE INDEPENDENT AUDITOR'S REPORT

Statement on the Management Commentary

Management is responsible for the Management Commentary.

Our conclusion 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 extended review 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 during the extended review, 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 in the Management Commentary.

Copenhagen, 12 July 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Per Frost Jensen
State Authorised Public Accountant
MNE no. mne27740

MANAGEMENT COMMENTARY

Principal activities

The principal activities comprise development of software, as well as ownership of subsidiary companies.

Development in activities and financial and economic position

The board finds the result satisfactory.

The Company's operation is secured through a declaration of support from the main part of the Company's capital owners. The declaration is limited to a total of DKK ('000) 200, which in the Management's opinion is sufficient for the continued operations for the following financial year.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2022 DKK	2021 DKK
GROSS LOSS.....		-46.134	138.017
Staff costs.....	1	-1.393.020	-2.055.351
Depreciation, amortisation and impairment losses.....		-156.783	-117.845
OPERATING LOSS.....		-1.595.937	-2.035.179
Income from investments in subsidiaries.....		473.679	118.485
Other financial expenses.....	2	-76.645	-101.164
LOSS BEFORE TAX.....		-1.198.903	-2.017.858
Tax on profit/loss for the year.....	3	142.014	249.295
LOSS FOR THE YEAR.....		-1.056.889	-1.768.563
PROPOSED DISTRIBUTION OF LOSS			
Allocation to reserve for net revaluation according to equity value method.....		0	3.485
Retained earnings.....		-1.056.889	-1.772.048
TOTAL.....		-1.056.889	-1.768.563

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2022 DKK	2021 DKK
Development projects completed.....		566.120	0
Development projects in progress and prepayments.....		0	707.650
Intangible assets.....	4	566.120	707.650
Production plant and machinery.....		0	2.516
Property, plant and equipment.....	5	0	2.516
Equity investments in group enterprises.....		537.236	178.557
Rent deposit.....		65.000	103.394
Financial non-current assets.....	6	602.236	281.951
NON-CURRENT ASSETS.....		1.168.356	992.117
Trade receivables.....		7.951	38.643
Receivables from group enterprises.....		0	178.624
Other receivables.....		17.004	267.858
Corporation tax receivable.....		0	237.477
Joint tax contribution receivable.....		142.014	11.818
Receivables.....		166.969	734.420
Cash and cash equivalents.....		28.345	576.277
CURRENT ASSETS.....		195.314	1.310.697
ASSETS.....		1.363.670	2.302.814

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2022 DKK	2021 DKK
Share capital.....		67.226	67.226
Reserve for development costs.....		441.574	551.967
Retained earnings.....		-1.379.865	-388.369
EQUITY.....		-871.065	230.824
Other liabilities.....		1.420.750	1.354.994
Rent deposits.....		4.500	43.346
The Holiday Allowance Fund.....		32.562	28.200
Non-current liabilities.....	7	1.457.812	1.426.540
Trade payables.....		64.690	194.008
Debt to group enterprises.....		398.587	0
Payables to owners and management.....		5.919	6.619
Other liabilities.....		62.927	215.323
Accruals and deferred income.....		244.800	229.500
Current liabilities.....		776.923	645.450
LIABILITIES.....		2.234.735	2.071.990
EQUITY AND LIABILITIES.....		1.363.670	2.302.814
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EQUITY

	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2022.....	67.226	551.967	-388.369	230.824
Proposed distribution of loss.....			-1.056.889	-1.056.889
Transactions with owners				
Cost of capital increase.....			-45.000	-45.000
Transfers				
Depreciations.....		-141.530	141.530	0
Tax on changes in equity.....		31.137	-31.137	0
Equity at 31 December 2022.....	67.226	441.574	-1.379.865	-871.065

NOTES

	2022 DKK	2021 DKK	Note
Staff costs			1
Average number of employees	4	5	
Wages and salaries.....	1.331.526	1.968.074	
Pensions.....	12.023	16.113	
Social security costs.....	24.591	16.952	
Other staff costs.....	24.880	54.212	
	1.393.020	2.055.351	
Other financial expenses			2
Group enterprises.....	6.719	5.823	
Other interest expenses.....	69.926	95.341	
	76.645	101.164	
Tax on loss for the year			3
Calculated tax on taxable income of the year.....	-142.014	-167.501	
Adjustment of tax in previous years.....	0	-81.794	
	-142.014	-249.295	
Intangible assets			4
	Development projects completed	Development projects in progress and prepayments	
Cost at 1 January 2022.....	0	707.650	
Transfer.....	707.650	-707.650	
Cost at 31 December 2022.....	707.650	0	
Amortisation for the year.....	141.530	0	
Amortisation at 31 December 2022.....	141.530	0	
Carrying amount at 31 December 2022.....	566.120	0	
The Company's development costs comprise the development of Nabo Tool, a software developed for the planning and operation of a vertical urban food production farm.			
Property, plant and equipment			5
		Production plant and machinery	
Cost at 1 January 2022.....		117.126	
Cost at 31 December 2022.....		117.126	
Depreciation and impairment losses at 1 January 2022.....		114.610	
Depreciation for the year.....		2.516	
Depreciation and impairment losses at 31 December 2022.....		117.126	
Carrying amount at 31 December 2022.....		0	

NOTES

Note

Financial non-current assets

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	Equity investments in group enterprises	Rent deposit
Cost at 1 January 2022.....	50.000	103.394
Disposals.....	0	-38.394
Cost at 31 December 2022.....	50.000	65.000
Revaluation at 1 January 2022.....	128.557	0
Dividend.....	-115.000	0
Profit for the year.....	473.679	0
Revaluation at 31 December 2022.....	487.236	0
Carrying amount at 31 December 2022.....	537.236	65.000

Investments in subsidiaries

Name and domicil	Ownership
Nabo Farm Nordvest ApS, Copenhagen.....	100 %

Long-term liabilities

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	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities
Other liabilities.....	1.420.750	0	0	1.354.994
Rent deposits.....	4.500	0	0	43.346
The Holiday Allowance Fund.....	32.562	0	32.562	28.200
	1.457.812	0	32.562	1.426.540

Contingencies etc.

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Contingent liabilities

The company has entered into rental agreements. The total commitment amounts to DKK ('000) 555.

Joint liabilities

The Danish companies of the group is jointly and severally liable for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable of the group's jointly taxed income amounts to DKK ('000) 0 at the Balance Sheet date.

NOTES

Note

Charges and securities

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As security for debt to The Danish Growth Fund with a total of DKK ('000) 1.300, the company has pledged a floating charge. The floating charge comprises the following assets, whose carrying amount at the balance sheet date is:

	DKK ('000)
Trade receivables	8

Conditions for going concern

10

The Company's operation is secured through a declaration of support from the main part of the Company's capital owners. The declaration is limited to a total of DKK ('000) 200, which in the Management's opinion is sufficient for the continued operations for the following financial year.

ACCOUNTING POLICIES

The Annual Report of Nabo Farm ApS for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue

Net revenue from sale of finished goods is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Rental income and expenses have been accrued to cover the period up to the end of the financial year. Payments charged to cover heating are not included in rental income.

Other operating income

Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities, including profit from sale of intangible and tangible fixed assets. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, etc.

Payments related to operating lease expenses and other lease agreements are recognised in the Income Statement during the continuance of the contract. The Company's total liability concerning operating and other lease agreements are stated under contingencies, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Income from investments in subsidiaries

The income statement of the parent company recognises the proportional share of the results of each subsidiary after full elimination of intercompany profits/losses and deduction of amortisation of goodwill.

In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Financial income and expenses

Financial income and expenses include interest income and expenses, realised and unrealised gains and losses debt and transactions in foreign currencies as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

ACCOUNTING POLICIES

BALANCE SHEET

Intangible fixed assets

Development costs comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the company's development activities and which fulfil the criteria for recognition.

Capitalised development costs are measured at the lower of cost less accumulated amortisation or recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is normally 5 years.

Intangible fixed assets are generally written down to the lower of recoverable value and carrying amount.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets

Production plant and machinery are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Production plant and machinery.....	3 years	0 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Financial non-current assets

Investments in subsidiaries are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.

Investments in subsidiaries are measured in the Balance Sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement when the equity interest is acquired. Where the negative goodwill is related to acquired contingent liabilities, the negative goodwill will be recognised as income when the contingent liabilities have been settled or cease.

The combination method is applied when acquiring enterprises within the Group, where the combination is regarded as completed at the date of acquisition, and by using the carrying amounts of the assets and liabilities acquired.

Net revaluation of investments in subsidiaries is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

ACCOUNTING POLICIES

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the Company has a legal or actual liability to cover the subsidiaries deficit.

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the carrying amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the balance sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against 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 under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Amortised cost for short-term liabilities usually corresponds to the nominal value.

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.