

# Cheminova A/S

Thyborønvej 78  
7673 Harboøre

CVR no. 12 76 00 43

## Annual report 2018

The annual report was presented and approved at the  
Company's annual general meeting on

24 May 2019

  
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chairman

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## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Cheminova A/S for the financial year 1 January – 31 December 2018.

The annual report has been prepared 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 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.

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

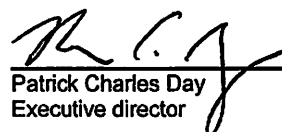
Lemvig, 24 May 2019  
Executive Board:



Marc Hullebroeck  
CEO



Jakob Lyngsø Andersen  
Executive director



Patrick Charles Day  
Executive director

Board of Directors:

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Mark Douglas  
Chairman

\_\_\_\_\_  
Andrew David Sandifer  
Deputy Chairman



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Marc Hullebroeck

\_\_\_\_\_  
William Francis Chester



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Jakob Lyngsø Andersen

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Iversen

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Executive Board:

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CEO

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Executive director

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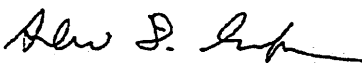
Patrick Charles Day  
Executive director

Board of Directors:



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Mark Douglas  
Chairman



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Andrew David Sandifer  
Deputy Chairman

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Marc Hullebroeck



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William Francis Chester

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Jakob Lyngsø Andersen

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Jens Christian Rønn  
Iversen

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Jørn Sand Tofting

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Kapil Kumar Saini

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Lemvig, 24 May 2019  
Executive Board:

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CEO

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Executive director

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Patrick Charles Day  
Executive director

Board of Directors:

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Chairman

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Deputy Chairman

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William Francis Chester

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Jens Christian Rønn  
Iversen

  
Jørn Sand Tofting

  
Kapil Kumar Saini



## Independent auditor's report

### To the shareholders of Cheminova A/S

#### Opinion

We have audited the financial statements of Cheminova A/S for the financial year 1 January – 31 December 2018 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 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 the 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 our report. We are independent of the Company in accordance with the International Ethics Standards Board for 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 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 that 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 audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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.



## Independent auditor's report

- 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 Company'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 Company'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 Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the 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 of the Management's review.

Copenhagen, 24 May 2019

**KPMG**  
Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98



Jon Beck  
State Authorised  
Public Accountant  
mne32169



David Olafsson  
State Authorised  
Public Accountant  
mne19737

**Cheminova A/S**  
Annual report 2018  
CVR no. 12 76 00 43

## **Management's review**

### **Company details**

Cheminova A/S  
Thyborønvej 78  
7673 Harbøre

Telephone: 96 90 96 90  
Fax: 96 90 96 91  
Website: [www.fmc.com](http://www.fmc.com)  
E-mail: [info@cheminova.com](mailto:info@cheminova.com)

CVR no.: 12 76 00 43  
Financial year: 1 January – 31 December

### **Board of Directors**

Mark Douglas, Chairman  
Andrew David Sandifer, Deputy Chairman  
Marc Hullebroeck  
William Francis Chester  
Jakob Lyngsø Andersen  
Jens Christian Rønn Iversen  
Jørn Sand Tofing  
Kapil Kumar Saini

### **Executive Board**

Marc Hullebroeck, CEO  
Jakob Lyngsø Andersen, Executive director  
Patrick Charles Day, Executive director

### **Auditor**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfaergevej 28  
DK-2100 Copenhagen



## Management's review

### Financial highlights

DKKm	2018	2017	2016	2015	2014
<b>Key figures</b>					
Revenue	3,242	3,484	3,025	4,066	3,386
Ordinary operating profit/loss	-200	372	259	224	136
Operating profit/loss	247	379	267	276	166
Profit/loss from financial income and expenses	-11	-17	106	233	-58
Profit/loss for the year	66	155	302	434	193
<b>Total assets</b>					
Equity	4,582	6,056	4,652	5,745	6,001
Investment in property, plant and equipment	2,697	2,631	2,476	2,173	2,267
	68	23	71	69	69
<b>Ratios</b>					
Gross margin	15.27%	24.51%	20.03%	21.64%	19.60%
Operating margin	7.62%	10.88%	8.83%	6.79%	4.90%
Return on invested capital	9.47%	5.23%	5.09%	4.79%	5.90%
Current ratio	164.79%	128.19%	140.05%	121.90%	186.00%
Return on equity	2.48%	6.07%	12.99%	19.55%	8.51%
Solvency ratio	58.86%	43.44%	53.22%	37.82%	37.78%

Financial ratios are calculated in accordance with the guidelines "Recommendations and Ratios" issued by the Danish Society of Financial Analysts. The financial ratios have been calculated as follows:

Gross margin 
$$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$$

Operating margin 
$$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$$

Return on invested capital 
$$\frac{\text{Operating profit/loss} \times 100}{\text{Average invested capital}}$$

Current ratio 
$$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$$

Return on equity 
$$\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$$

Solvency ratio 
$$\frac{\text{Equity ex. non-controlling interests at year end} \times 100}{\text{Total equity and liabilities at year end}}$$

## Management's review

### Operating review

#### Principal activities

Cheminova A/S is a business developing, producing and marketing crop protection products. All activities are carried out with due consideration for the environment and in compliance with sustainability standards.

Cheminova A/S and its entire group were acquired in 2015 by FMC Corporation which is based in Philadelphia, USA. FMC is a publicly traded company engaged in a global business of developing, producing and marketing crop protection products. The Cheminova A/S integration into FMC's crop protection product business was completed in 2016.

#### Uncertainty regarding recognition and measurement

The preparation of the annual report requires management to make assumptions and estimates that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses.

In the financial statements for 2018, the following assumptions and uncertainties are worth noting as they have significantly impacted the recognition of assets and liabilities in the financial statements:

##### Impairment test for development projects

Development projects in progress are tested for impairment at least once a year. The development projects are progressing in line with expectations. Looking at the individual development projects, the management has estimated the need for impairment and believes that the carrying amounts of the individual development projects will be recovered. The current value for development projects in progress is DKKm 8.

#### Events after the balance sheet date

No significant events occurred after December 31, 2018, until the day of the signing of the Annual Report 2018.

### Development in activities and financial position

#### *Profit/loss for the year*

Cheminova A/S realized revenue of DKKm 3,242 in 2018 and has 657 employees.

Cheminova A/S experienced a satisfactory year with profit before tax of DKKm 137 which was down compared with 2017. The Company's income statement for 2018 shows a profit after tax of DKKm 66 as against DKKm 155 in 2017. Equity in the Company's balance sheet at 31 December 2018 stood at DKKm 2,697 as against DKKm 2,631 at 31 December 2017.

DKKm 99 impairment recorded in 2018 against an investment in its Argentinian subsidiary.

On 1st February 2018, Cheminova A/S sold several products in their cereal herbicide portfolio to Nufarm Ltd in the European Union. This divestment was required by the European Commission for reasons of competition driven by the DuPont asset acquisition. This divestment contributed to the reduction in sales in the Herbicide portfolio from DKKm 1,146 in 2017 to DKKm 925 in 2018. The sale resulted in a net gain of DKKm 446.

## Management's review

### Operating review

#### Market and sales

Overall revenue in 2018 was in line with 2017 as higher sales of insecticides to offset lower industrial sales to global customers and the required divestment of part of the cereal herbicide portfolio by the European Commission (competitive reasons driven by the DuPont asset acquisition). The product portfolio continued to shift from lower gross margin generic offerings to higher gross margin proprietary products with pricing improvements implemented where commercially possible. The portfolio also experienced losses due to continued regulatory pressures in key markets (i.e. Europe) and the required divestment of the florasulam and sulfonylurea cereal portfolio to Nufarm Ltd. in the European Union related to FMC's acquisition of the DuPont crop protection assets. We are committed to providing unique, differentiated products to our customers by acquiring and further developing technologies as well as investing in innovation to extend product life cycles.

#### Financing

Cheminova A/S has been included in the global cash-pool setup with FMC Corporation.

#### Outlook

Sales are expected to grow in 2019, with the same level of gross margin and continued focus on cost. We expect that the overall results for 2019 to be broadly in line with the results for 2019.

#### Intellectual capital

The Company and FMC Group are committing considerable resources on maintaining and developing competencies, including continuously updated knowledge of Internal and external matters and quality assurance.

#### Particular risks

The business is sensitive to changes in market risks such as global economic changes, including developments in agriculture, climate change and global crop prices as well as price.

#### Operating risks

The industry entails potentially significant unwanted risks relating to the environment, health, safety, regulation and legislation. An important element in the group's risk management activities is compliance with statutory and ethical requirements, standards and rules.

We try to limit the risks, for example by obtaining recognized environmental and energy management certificates for the factory in Denmark and by educating and training our people with a view to improving attitudes and behaviour in relation to health and safety and the working environment. Read more on [fmc sustainability.com](http://fmc sustainability.com)

Also, we aim to ensure that the insurance program reflects the risks associated with the group's activities. According to FMC Corporation insurance policy, the financial risk associated with major claims must be transferred to an insurance company, which implies elements as deductibles and self-financing. The level of self-financing is adjusted over time, depending on the financial situation and on the products and prices offered in the global insurance market at any given point in time.



## Management's review

### Operating review

#### *Financial and Tax risks*

Earnings of Cheminova A/S and balance sheet are exposed to a number of financial risks, with foreign exchange risks and tax factors being the primary risks. The group's finance policy lays down the guidelines for the management of financial risks and also contains a description of approved financial instruments and risk limits.

#### Risk management

Efficient risk management contributes to ensuring robust operations, controlled growth and stable financial results.

Cheminova A/S is applying the central-led risk management principles from FMC Corporation. The aim is to identify financial as well as non-financial risks as early as possible with a view to ensuring the timely handling of such risks.

The group's risks can generally be divided into four categories; Particular risks, Operating risks, Financial risks which are outlined previously and Long-term strategic risks outlined below.

#### Long-term strategic risks

In connection with the strategy process, the management performs an evaluation of the opportunities for and limitations to the future sustainable development of the business. This evaluation is based on reports on, for example, trends in the industry and the regions supplemented by sensitivity analyses and risk descriptions.

#### Environmental matters

The Company's health and safety policies are fully compliant with the local laws and regulations. The Company is investing in education of its Health and Safety committee to ensure it is compliant with the current development in work environment community and local laws.

#### Research and development activities

In 2018, the Company incurred significant research and development costs relating to the Company and FMC Group's core products. Investments in R&D will ensure that the Company can maintain and improve its market position in the coming years.

#### Corporate social responsibility

Cheminova A/S is governed by the policies of the parent company FMC Corporation regarding CSR. The group level policies include policies of CSR, climate changes, environment, human rights anti-corruption and social and staff matters.

For further information, we refer to the CSR policies of FMC the statutory requirements for social responsibility, in regards to 99a is disclosed in FMC Sustainability Report 2018. The FMC CSR policies are accessible in the following link:  
<https://fmcsustainability.com/explore-our-resources-2/>

## Management's review

### Operating review

#### Diversity & Inclusion

Respect for people is not only a core value of ours, but also a business imperative. We embrace, leverage and respect the diversity of our workforce, our customers and our communities.

Our gender diversity goal was originally set to reach a female representation on management level and on the Board of Directors of Cheminova A/S that reflects the female representation in the overall company. The female representation in the overall company is currently 24%. The status is that on a management level in general we have reached the goal with 8 of 34 managers being female. Currently we still have no females represented in the Board of the Directors, but we also had no replacements in the Board during 2018. We are still focused on our target to have 2 female members on the Board of Directors by 2021.

In 2018, FMC Corporation created a new senior leadership role to oversee Diversity and Inclusion to ensure we have a strategic focus on driving actions that foster an inclusive culture. FMC has reviewed its people processes, recruitment, talent assessment & review, Learning & Development etc. These initiatives are all intended to support our overall Diversity & Inclusion agenda and to attract more female candidates for management and board roles.

## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2018	2017
<b>Revenue</b>	2	3,242,378	3,483,913
Production costs	3, 4	<u>-2,747,073</u>	<u>-2,629,911</u>
<b>Gross profit</b>		495,305	854,002
Distribution costs	3, 4	-88,733	-83,796
Administrative expenses	3, 4	-292,294	-204,379
Research and development costs	3, 4	-314,758	-193,376
Other operating income	5	<u>447,032</u>	<u>6,306</u>
<b>Operating profit</b>		246,552	378,757
Write-down of financial assets		-98,962	-111,469
Financial income	6	51,391	31,737
Financial expenses	7	<u>-62,408</u>	<u>-48,913</u>
<b>Profit before tax</b>		136,573	250,112
Tax on profit/loss for the year	8	<u>-70,595</u>	<u>-95,007</u>
<b>Profit for the year</b>	9	<u><u>65,978</u></u>	<u><u>155,105</u></u>



## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2018	2017
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>	10		
Finished development projects		351,911	263,194
Sales and registration rights etc.		78,026	86,450
Goodwill		1,767	1,967
Software		1,180	1,719
Intangible assets under development		8,044	378,992
		<u>440,928</u>	<u>732,322</u>
<b>Property, plant and equipment</b>	11		
Land and buildings		86,042	89,204
Technical plant and machinery		112,829	97,767
Fixtures and fittings, tools and equipment		3,459	5,994
Plant under construction		50,429	26,607
		<u>252,759</u>	<u>219,572</u>
<b>Investments</b>			
Equity investments in group entities	12	672,866	634,866
Equity investments in associates	12	210,340	0
Receivables from group entities	13	559,840	598,307
		<u>1,443,046</u>	<u>1,233,173</u>
<b>Total fixed assets</b>		<u>2,136,733</u>	<u>2,185,067</u>
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials and consumables		288,108	291,702
Work in progress		709,522	531,870
Finished goods and goods for resale		161,025	135,647
		<u>1,158,655</u>	<u>959,219</u>
<b>Receivables</b>			
Trade receivables		217,236	292,002
Receivables from group entities		1,020,552	2,516,630
Other receivables		40,962	90,483
Deferred tax asset	14	1,901	0
Prepayments		4,469	6,316
		<u>1,285,120</u>	<u>2,905,431</u>
<b>Cash at bank and in hand</b>		<u>1,800</u>	<u>6,467</u>
<b>Total current assets</b>		<u>2,445,575</u>	<u>3,871,117</u>
<b>TOTAL ASSETS</b>		<u>4,582,308</u>	<u>6,056,184</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2018	2017
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital	15	300,000	300,000
Reserve for development costs		15,311	52,867
Retained earnings		<u>2,381,573</u>	<u>2,278,039</u>
<b>Total equity</b>		<u>2,696,884</u>	<u>2,630,906</u>
<b>Provisions</b>			
Provisions for deferred tax	14	0	35,955
Other provisions	16	<u>401,339</u>	<u>369,400</u>
<b>Total provisions</b>		<u>401,339</u>	<u>405,355</u>
<b>Liabilities other than provisions</b>			
<b>Non-current liabilities other than provisions</b>			
Payables to group entities	17	<u>0</u>	<u>1,746,270</u>
<b>Current liabilities other than provisions</b>			
Trade payables		656,347	596,732
Payables to group entities		485,386	405,623
Other payables		336,365	266,508
Deferred income		<u>5,987</u>	<u>4,790</u>
		<u>1,484,085</u>	<u>1,273,653</u>
<b>Total liabilities other than provisions</b>		<u>1,484,085</u>	<u>3,019,923</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>4,582,308</u>	<u>6,056,184</u>
<b>Fees to auditor appointed at the general meeting</b>	18		
<b>Contractual obligations, contingencies, etc.</b>	19		
<b>Mortgages and collateral</b>	20		
<b>Related party disclosures</b>	21		

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2017	300,000	27,802	2,147,799	2,475,601
Transferred to development costs reserve	0	25,065	-25,065	0
Transferred over the profit appropriation	0	0	155,105	155,105
Equity at 1 January 2018	300,000	52,867	2,278,039	2,630,906
Transferred to development costs reserve	0	-37,556	37,556	0
Transferred over the profit appropriation	0	0	65,978	65,978
<b>Equity at 31 December 2018</b>	<b>300,000</b>	<b>15,311</b>	<b>2,381,573</b>	<b>2,696,884</b>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Cheminova A/S for 2018 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of Cheminova A/S and group entities are included in the consolidated financial statements of FMC Corporation, 2929 Walnut Street, Philadelphia, PA 19104, USA (listed on New York Stock Exchange).

#### Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of FMC Corporation, 2929 Walnut Street, Philadelphia, PA 19104, USA (listed on New York Stock Exchange).

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

#### Significant accounting estimates

In preparing the annual report, management necessarily makes estimates and assumptions, which form the basis of the presentation, recognition and measurement of the reported assets and liabilities as at the balance sheet date as well as the income and expenses reported for the financial period.

The estimates made by management are based on historical experience and on a number of other assumptions and factors, which are deemed to be reasonable in the circumstances. The result of this process forms the basis of the assessment of the income and expenses reported, which do not appear from other material.

The estimates made and the underlying assumptions are reassessed on a regular basis. Changes to accounting estimates are recognized in the financial period, in which the change is made, and in future financial periods if the change affects both the period, in which the change is made and subsequent financial periods.

The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise, which may lead to the actual results deviating from such estimates.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

### Income statement

#### Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue is recognized in the income statement, when risk and rewards of ownership have transferred to the buyer, and risk has passed.

#### Government grants

Government grants comprise development and financing grants, investment grants etc. Grants are recognized, when there is reasonable certainty that they will be received.

Grants for the purchase of assets and development projects are offset against the cost of the asset. Grants to cover costs incurred are offset against the costs incurred.

#### Production costs

Production cost comprises the consumption of raw materials, including delivery costs, repairs and maintenance, wages and salaries, and other costs of sales as well as depreciation and amortization. In addition any direct support costs including analytics, HR and IT to the plant is considered as production costs. Write-down for inventories and write-down in connection with anticipated bad debt losses are also included.

#### Distribution costs

Distributions costs include costs incurred in connection with marketing and sales, including wages and salaries, rent, advertising, freight, customs duties as well as depreciation, amortization, impairment losses and writedowns, bad debts and amortization of borrowing costs.

#### Administrative expenses

Administrative costs comprise salaries for administrative staff and management plus other office costs, including depreciation, amortization and impairment losses and writedowns, IT operations and canteen costs.

#### Bonus schemes

The company grants bonus schemes to certain employees. The bonus schemes are debt schemes. The bonus calculated is expensed on a straight-line basis over the vesting period, based on employee vesting and on the FMC group's earnings and value creation. Bonus is provided for under other payables.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognized in the balance sheet at the lower of fair value and the present value of the minimum lease payments. The individual lease payment is determined on conclusion of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance costs and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are recognized directly in the income statement.

Operating lease payments are recognized as expenses on a straight-line basis over the term of the relevant lease.

##### Other operating income

Other operating income comprises income of a secondary nature in relation to the companies' main objectives, including, among other things, the disposal of non-current assets and royalties.

##### Research and development costs

Development and registration costs include wages and salaries and any other costs, which relate to the company's development projects, including depreciation, amortization, impairment losses and write-downs. These costs also include costs incurred in respect of development projects, where such costs do not fulfil the capitalization requirements. Also included are costs incurred on an ongoing basis in connection with the maintenance of registration rights in respect of the company's products.

##### Financial income and expenses

Financial income and expenses comprise interest, capital gains and losses on securities and write-downs concerning securities, payables and foreign currency transactions, amortization of financial liabilities, including financial lease obligations as well as supplementary payments and refunds under the tax prepayment scheme etc. Realized and unrealized gains and losses on derivative financial instruments which cannot be classified as hedging agreements are also included. Interest income and expenses are accrued based on the principal amount and the effective interest rate.

##### Tax on profit/loss for the year

Cheminova A/S is jointly taxed with its Danish sister company FMC A/S. Current income tax is distributed among the jointly taxed Danish companies in proportion to their taxable incomes.

Current tax payable is based on the taxable profit/loss for the year. The company's current tax liability is calculated using tax rates that have been enacted at the balance sheet date. Tax for the year, comprising the expected current tax for the year and deferred tax for the year, is recognized in the income statement with the portion attributable to the net profit/loss for the year and in other comprehensive income with the portion attributable to items recognized in other comprehensive income.

Current tax is recognized in the balance sheet under receivables, where excess on-account tax has been paid and under payables, where the on-account tax paid does not cover the current tax.



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Deferred tax is measured using the balance sheet liability method on all temporary differences between carrying amount and tax base of assets and liabilities. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are recognized to the extent that it is probable that tax losses allowed for carryforward can be offset against tax profits. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed on the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset, when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

### Balance sheet

#### Intangible assets

##### *Goodwill*

Goodwill arises from the acquisition of sales rights representing the excess of cost over the company's interest in the fair value of the assets.

Goodwill on sales rights is amortized over the estimated useful life which is calculated on the basis of the management's experience within the individual areas of activity. The amortization period cannot exceed 10 years.

For the purpose of impairment testing, goodwill is compared to the latest forecast and business plan for the particular sales right. Goodwill is tested for impairment annually, or more frequently when there is an indication that the sales right may be impaired. If the recoverable amount of the cash-generating sales right is less than the carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the sales right and then to the other assets of the sales right.

##### *Acquired sales and registration rights, know-how and software*

These intangible assets are measured at cost less accumulated amortization and impairment losses. The assets are amortized in accordance with the straight-line method over their expected useful lives, such lives being 3-10 years.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### *Internally generated intangible assets – development and registration costs*

Expenditure on research activities is recognized in the income statement in the period in which it is incurred.

An internally generated intangible asset arising from the Company's attainment of sales and registration rights is recognized only if all of the conditions specified in the Danish Financial Statements Act are met. Expenditure in respect of development projects is recognized if certain criteria are fulfilled under intangible assets and is measured at cost less accumulated amortization and impairment. Internal interest rate (3.0%) is included in the cost. Capitalization is usually subject to it being deemed to be sufficiently certain that future earnings will cover the development costs. Moreover, capitalisation assumes that all required public registration and authority approvals can be expected to be obtained and that the development costs can be reliably measured. Interests for borrowing costs have been included in the cost price of constructed assets. Recognition is based on an effective interest rate of 3.0% (3.0%), corresponding to the Group's weighted average borrowing costs in respect of general borrowing. No specific loans have been arranged for the construction or development of assets.

Internally generated intangible assets are amortized on a straight-line basis over their useful lives. The amortisation period is usually 5 - 10 years, however not exceeding 10 years, depending on the future expected revenue and profit flow. Where no internally generated intangible asset can be recognized, development costs are recognized in the income statement in the period in which they are incurred.

##### **Property, plant and equipment**

Land and buildings, technical plant and machinery, and other fixtures and fittings, tools and equipment are carried at cost less accumulated depreciation and impairment losses. Land is not depreciated. Assets in the course of construction for production, rental or administrative purposes are carried at cost, less any impairment losses.

Cost comprises the purchase price, costs directly related to the purchase and costs of preparing the asset up until such time as the asset is ready for use. The cost of own production of non-current assets includes direct and indirect expenses incurred in respect of wages and salaries, consumption of materials as well as subsuppliers and borrowing costs relating to the period of construction.

Depreciation of the assets commences when the assets are ready for their intended use. Depreciation is based on cost less the expected residual value after the end of their useful lives. Depreciation is charged using the straight-line method over the expected useful lives, which are:

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Depreciation of the assets commences when the assets are ready for their intended use. Depreciation is based on cost less the expected residual value after the end of their useful lives. Depreciation is charged using the straight-line method over the expected useful lives, which are:

Office and laboratory buildings, residential and tenement buildings and garages	15-45 years
Production and factory buildings and road systems	15-45 years
Technical plant and machinery	4-15 years
Fixtures and fittings, tools and equipment	2-10 years

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

The gain or loss arising on the disposal or retirement of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the assets at the time of the sale and is recognized in the income statement as other operating income or other operating costs, respectively.

#### Equity investments in group entities and associates

Equity investments in subsidiaries and associates are recognized and measured in accordance with the cost method. Write-down is made to lower of cost and recoverable amount. This means that the investments are measured at the cost price at the acquisition, adjusted for additional capital increases. Received dividends are recorded as profit and do not effect the investment value.

#### Impairment of fixed assets

At each balance sheet date, the company reviews the carrying amounts of its property, plant and equipment, intangible assets and equity investments in subsidiaries and associates to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of the asset is the higher of fair value less selling costs and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The impairment is recognized as an expense in the income statement.

Where the impairment is subsequently reversed, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognized for the asset in prior years. A reversal of impairment is recognized as income in the income statement.

#### Inventories

Inventories are stated at the lower of cost calculated according to the FIFO method and net realizable value. Cost comprises direct materials, direct labor costs and the share of indirect production overheads that has been incurred in bringing the inventories to their present location and condition. Indirect production overheads include the share of capacity costs directly related to own production of goods and work in progress. Indirect production overheads include indirect materials and wages and salaries as well as maintenance and depreciation of the plant, factory buildings and equipment used in the production process as well as costs relating to production administration and management.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

The net realizable value of inventories is calculated as the sales sum less completion costs and costs necessary to make the sale and is determined by taking into account marketability, obsolescence and the development in the expected selling price.

#### Receivables

Receivables comprise trade receivables and other receivables. Receivables are included in the category loans and receivables which are financial assets with fixed or identifiable payments which are not listed in an active market and which are not derivative financial instruments.

Receivables are measured at amortized cost and are initially recognized at fair value. Write-down is carried out to cover expected bad debts on the basis of individual assessments of the risk of loss.

#### Prepayments

Prepayments under assets comprise costs incurred in respect of future financial years. Prepayments are measured at cost.

#### Equity

##### *Dividends*

Dividend is recognized as a liability at the time of adoption by the general meeting. The expected dividend payment for the year is disclosed as a separate item under equity.

##### *Reserve for development costs*

The reserve for development costs comprises capitalised development costs. The reserve cannot be used for dividend, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the development costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established.

The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

#### Provisions

Provisions are recognized, when the Company, following a past event, has a legal or constructive obligation, the settlement of which is expected to result in an outflow from the Company of economic benefits. Provisions are measured as the best estimate of the expenses necessary to discharge the liabilities as at the balance sheet date. Provisions expected to fall due more than one year from the balance sheet date are measured at present value.

Future obligations related the environment costs following past events are measured at present value.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Payables

Interest-bearing loans are recognized initially at fair value, net of direct loan costs. Subsequent measurements are made at amortized cost. Finance costs, including premiums payable on settlement or redemption and direct costs, are accounted for on an accrual basis in the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that the loans are not settled in the period in which they arise.

##### Trade payables

Trade payables are non-interest-bearing and are measured on initial recognition at fair value. Subsequent measurements are made at amortized cost.

##### Derivative financial instruments and foreign currency hedging

The company's activities expose is primarily to the financial risks of changes in exchange rates and interest rates. The company uses, among other things, forward exchange contracts and interest rate swap contracts to hedge these exposures.

Derivative financial statements are measured at cost on initial recognition. Subsequent measurements are made at fair value.

Changes in the fair values of derivative financial instruments that are designated and effective as hedges of future cash flows are recognized directly in equity, and the ineffective portion is recognized immediately in the income statement. If the hedging of a cash flow from a firm commitment or forecast transaction results in the recognition of an asset or a liability, amounts are transferred from equity and recognized in the cost of the asset or liability. Where the forecast transaction results in income or expenses, amounts are transferred to the income statement. The transfer is affected in the period in which the hedged transaction is completed

Changes in the fair values of derivative financial instruments classified as and satisfying the criteria for hedging of the fair value of a recognized asset or a recognized liability, are recognized in the income statement together with the changes in value of the hedged asset or hedged liability.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the income statement as they arise.



## Financial statements 1 January – 31 December

### Notes

#### 2 Segment information

Segment information is provided on business segments and geographical markets. The segment information is in line with the Group's accounting policies, risk and internal financial management.

DKK'000	2018	2017
<b>Region</b>		
Europe	3,156,795	3,181,119
Latin America	7,341	130,738
North America	0	48,902
Other	78,242	123,154
	<u>3,242,378</u>	<u>3,483,913</u>
<b>HIFO</b>		
Insecticides	1,383,611	799,716
Herbicides	924,999	1,149,435
Fungicides	539,497	538,281
Other	394,271	996,481
	<u>3,242,378</u>	<u>3,483,913</u>

#### 3 Staff costs and incentive schemes

##### Staff costs

Wages and salaries	362,920	304,659
Pensions	26,792	24,583
Other social security costs	20,970	26,290
Other staff costs	16,761	30,964
	<u>427,443</u>	<u>386,496</u>
Average number of full-time employees	<u>657</u>	<u>660</u>

Staff costs are recognised in the financial statements as:

Production	232,746	239,469
Distribution	14,833	15,438
Administration	113,721	85,403
Research and development costs	66,143	46,086
	<u>427,443</u>	<u>386,396</u>



## Financial statements 1 January – 31 December

### Notes

DKK'000	<u>2018</u>	<u>2017</u>
<b>Remuneration of Executive Board</b>		
Remuneration	10,129	10,247
Retirement benefit contribution	633	709
Bonus	4,453	4,671
Other	<u>1,275</u>	<u>2,462</u>
	<u>16,490</u>	<u>18,089</u>
<b>4 Depreciation, amortisation, impairment losses and write-downs</b>		
Production costs	34,877	73,775
Selling and distribution costs	37,284	35,812
Administrative costs	792	9,984
Research and development costs etc.	<u>220,249</u>	<u>44,097</u>
	<u>293,202</u>	<u>163,668</u>
<b>5 Other operating income</b>		
NUFARM Divestment	446,335	0
Other income	<u>697</u>	<u>6,306</u>
	<u>447,032</u>	<u>6,306</u>
<b>6 Financial income</b>		
Interest income from group entities	<u>51,391</u>	<u>31,737</u>
<b>7 Financial expenses</b>		
Interest expense to group entities	10,136	11,210
Other financial costs	22,252	15,817
Exchange adjustments costs	<u>30,020</u>	<u>21,886</u>
	<u>62,408</u>	<u>48,913</u>
The company's activities exposure is primarily to the financial risks of changes in exchange rates and interest rates. The exposure is handled by FMC Corporation where the expense/income of the hedging activities then is transferred to Cheminova A/S.		
<b>8 Tax on profit/loss for the year</b>		
Current tax for the year	96,295	54,764
Adjustment of deferred tax for the year	-41,538	28,935

## Financial statements 1 January – 31 December

### Notes

Tax provisions related to foreign activities	8,199	18,604
Adjustment of deferred tax related to foreign activities	4,689	-1,199
Adjustment relating to previous years	2,069	-7,517
Withholding tax not refundable	<u>881</u>	<u>1,420</u>
	<u>70,595</u>	<u>95,007</u>
<b>9 Proposed profit appropriation</b>		
Retained earnings	<u>65,978</u>	<u>155,105</u>

## Financial statements 1 January – 31 December

### Notes

#### 10 Intangible assets

DKK'000	Finished development projects	Sales and registration rights etc.	Goodwill	Software	Intangible assets under development	Total
Cost at 1 January 2018	477,048	628,663	39,210	219,090	436,509	1,800,520
Additions for the year	0	28,830	0	253	2,369	31,452
Disposals for the year	-61,328	0	0	0	-168,099	-229,427
Transfers for the year	262,735	0	0	0	-262,735	0
Cost at 31 December 2018	678,455	657,493	39,210	219,343	8,044	1,602,545
Amortisation and impairment losses at 1 January 2018	-213,854	-542,183	-37,243	-217,371	-57,517	-1,068,168
Amortisation for the year	-55,173	-37,284	-200	-792	0	-93,449
Transfers for the year	-57,517	0	0	0	57,517	0
Amortisation and impairment losses at 31 December 2018	-326,544	-579,467	-37,443	-218,163	0	-1,161,617
Carrying amount at 31 December 2018	351,911	78,026	1,767	1,180	8,044	440,928

#### Completed development projects

Completed development projects relate to development and test of crop protection products. The project is amortised over 5 - 10 years due to character and use of the assets.

#### Development projects in progress

Development projects in progress comprise crop protection products. The projects are expected to be completed in 2020-2023 where considerable economic benefits are expected.

#### Goodwill

Goodwill is amortised over 7 years.

## Financial statements 1 January – 31 December

### Notes

#### 11 Property, plant and equipment

DKK'000	Land and buildings	Technical plant and machinery	Fixtures and fittings, tools and equipment	Plant under construction	Total
Cost at 1 January 2018	516,224	2,302,917	166,168	26,607	3,011,916
Additions for the year	0	0	0	68,064	68,064
Transfers for the year	4,897	39,345	0	-44,242	0
Cost at 31 December 2018	521,121	2,342,262	166,168	50,429	3,079,980
Depreciation and impairment losses at 1 January 2018	-427,020	-2,205,150	-160,174	0	-2,792,344
Depreciation for the year	-8,059	-24,283	-2,535	0	-34,877
Depreciation and impairment losses at 31 December 2018	-435,079	-2,229,433	-162,709	0	-2,827,221
<b>Carrying amount at 31 December 2018</b>	<b>86,042</b>	<b>112,829</b>	<b>3,459</b>	<b>50,429</b>	<b>252,759</b>

#### 12 Equity investments in group entities and associates

DKK'000	Equity investments in group entities	Equity investments in associates
Cost at 1 January	746,335	0
Capital increase	136,962	210,339
Cost at 31 December	883,297	210,339
Revaluations at 1 January	-111,469	0
Revaluations for the year, net	-98,962	0
Revaluations 31 December	-210,431	0
<b>Carrying amount at 31 December</b>	<b>672,866</b>	<b>210,339</b>

Name/legal form	Registered office	Voting rights and ownership interest	Equity	Profit/loss for the year
			DKK'000	DKK'000
Subsidiaries:				
FMC Agro Limited	Great Britain	100,00%	207,193	34,623
Cheminova Deutschland GmbH & Co.KG	Germany	99,90%	479,416	66,119
FMC Agro Austria GmbH	Austria	100,00%	31,981	2,764
Althallier Italy S.r.l.	Italy	100,00%	31,121	4,312
Cheminova Agro France S.A.S.	France	100,00%	93,353	22,132
FMC Agricultural Solutions S.A.U.	Spain	100,00%	114,871	36,115

## Financial statements 1 January – 31 December

### Notes

Cheminova Agro Italia S.r.l.	Italy	100,00%	119,942	27,577
FMC Agro Bulgaria EOOD	Bulgaria	100,00%	15,901	3,162
FMC-Agro Hungary Kft.	Hungary	100,00%	7,854	13,177
FMC Agro Polska S.P. z.o.o.	Poland	100,00%	47,794	14,253
FMC LLC	Russia	100,00%	59,768	15,421
Pytech Chemicals GmbH	Switzerland	100,00%	619,390	11,679
Cheminova China Ltd.	China	100,00%	4,774	-10
Cheminova Uruguay S.A.	Uruguay	100,00%	105,848	-7,300
Cheminova India Ltd.	India	99,99%	532,113	-142,514
FMC Taiwan Co., LTD	Taiwan	100,00%	4,196	4,517
Cheminova Agro de Argentina S.A.	Argentina	97,50%	-3,342	-136,369
FMC New Zealand Limited	New Zealand	100,00%	17,791	2,120
FMC India Private Limited	India	45,06%	798,870	-266,610
FMC Quimica Chile Limitada	Chile	0,000527%	569	3,477
Agro Cheminova C. R. Sociedad Anonima	Costa Rica	100,00%	0	0
Croptech LLC	US	100,00%	0	0
Cheminova Agro A/S Greek Branch	Greece	100,00%	0	0
			<u>3,289,403</u>	<u>-291,355</u>

### 13 Receivables from group entities

DKK'000	Receivables from group entities
Balance at 1 January 2018	598,307
Exchange adjustment	2,557
Additions for the year	5,475
Installments	<u>-46,499</u>
Balance at 31 December 2018	<u>559,840</u>
Receivables from group entities due after more than 5 years	<u>260,490</u>



## Financial statements 1 January – 31 December

### Notes

DKK'000	<u>2018</u>	<u>2017</u>
<b>14 Deferred tax</b>		
Deferred tax at 1 January	35,955	5,821
Deferred tax adjustment for the year	-41,538	28,935
Deferred tax adjustment for the year related to foreign activities	<u>3,682</u>	<u>1,199</u>
	<u>-1,901</u>	<u>35,955</u>
Provisions for deferred tax relate to:		
Intangible assets	75,524	120,899
Property, plant and equipment	-23,572	-33,392
Provisions, other	-55,462	-51,552
German deferred tax	<u>1,609</u>	<u>0</u>
	<u>-1,901</u>	<u>35,955</u>
<b>15 Share capital</b>		
The contributed capital consists of 300,000 shares of a nominal value of DKK 1,000 each.		
All shares rank equally.		
DKK'000	<u>2018</u>	<u>2017</u>
<b>16 Provisions</b>		
Anniversary bonus	3,146	3,381
Environmental reserve	390,168	356,149
Tax provision regarding foreign jurisdictions	<u>8,025</u>	<u>9,870</u>
	<u>401,339</u>	<u>369,400</u>
The provisions are expected to be activated as follows:		
0-1 years	38,642	36,740
1-5 years	131,397	93,087
>5 years	<u>231,300</u>	<u>239,573</u>
	<u>401,339</u>	<u>369,400</u>
<b>17 Non-current liabilities other than provisions</b>		
Loans from group entities	<u>0</u>	<u>1,135,292</u>

## Financial statements 1 January – 31 December

### Notes

DKK'000	<u>2018</u>	<u>2017</u>
<b>18 Fees to auditor appointed at the general meeting</b>		
<b>KPMG</b>		
Audit	925	750
Tax	0	0
Non-audit services	<u>75</u>	<u>75</u>
	<u>1,000</u>	<u>825</u>

### 19 Contractual obligations, contingencies, etc.

#### Contingent assets

The company respects intellectual property rights such as patents, trademarks, and registration data. Own rights and the freedom to operate in relation to the rights of other companies are proactively defended. Internal processes are implemented to prevent patent infringements, and the company will concurrently defend its patent rights against other companies.

#### Contingent liabilities

The Company's liabilities under operating leases amount to DKKm 280 of which DKKm 27 is due within 1 year, DKKm 125 between 1-5 years and DKKm 128 past 5 years. Included in the above is the Company's office rent obligation amount to DKKm 256 covering a remaining lease term of 12 years.

#### Joint taxation

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax as well as for the joint registration for VAT. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.

### 20 Mortgages and collateral

Bank guarantees of DKKm 32 has been provided for customers and authorities.

## Financial statements 1 January – 31 December

### Notes

#### 21 Related party disclosures

Cheminova A/S' related parties comprise the following:

##### Control

FMC Luxembourg S.à.r.l., 6 rue Eugène Ruppert, L-2453 holds the majority of the share capital in the Company.

The ultimate parent in the group is FMC Corporation.

##### Related party transactions

DKK'000	<u>2018</u>
Revenue from related parties	2,376,614
Purchase of goods from related parties	884,166
Hedge	104,863
Recharges*	237,249
Royalties	15,300

Remuneration to the Company's Executive Board is disclosed in note 3.

Payables to associates and subsidiaries are disclosed in the balance sheet.

\*Please note recharges includes multiple items, eg IT Allocations, Payroll , EIC Recharges and adhoc.

##### Consolidated financial statements

The financial statements of Cheminova A/S and group entities are included in the consolidated financial statements of FMC Corporation, 2929 Walnut Street, Philadelphia, PA 19104, USA (listed on New York Stock Exchange).

The consolidated financial statements can be downloaded at [www.fmc.com](http://www.fmc.com).