

Cheminova A/S

Thyborønvej 78  
7673 Harboøre

CVR no. 12 76 00 43

## Annual report 2016

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

6 June 2017

  
\_\_\_\_\_  
chairman

## Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	6
Company details	6
Financial highlights	7
Operating review	8
Financial statements 1 January – 31 December	
Income statement	13
Balance sheet	14
Statement of changes in equity	16
Notes	17

## 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 2016.

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 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016.

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.

Harboøre, 6 June 2017

Executive Board:



Marc Hullebroeck  
CEO



Jakob Lyngsø  
Andersen  
Executive director



Patrick Charles Day  
Executive director

Board of Directors:


\_\_\_\_\_  
Mark Douglas  
Chairman

\_\_\_\_\_  
Gilberto Antoniazzi  
Deputy Chairman


\_\_\_\_\_  
Andrew David Sandifer



Marc Hullebroeck

  
\_\_\_\_\_  
Jakob Lyngsø  
Andersen

Jørn Sand Tofting

  
\_\_\_\_\_  
Jens Christian Rønn  
Iversen  
\_\_\_\_\_  
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 2016 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 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016 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.





## Independent auditor's report

### 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.
- 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.



## Independent auditor's report

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.

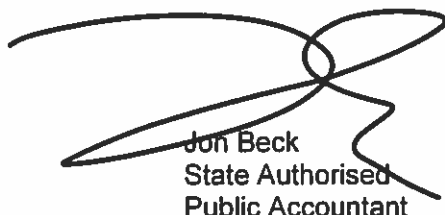
Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 6 June 2017

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98



Jon Beck  
State Authorised  
Public Accountant



David Olafsson  
State Authorised  
Public Accountant

**Cheminova A/S**  
Annual report 2016  
CVR no. 12 76 00 43

## **Management's review**

### **Company details**

Cheminova A/S  
Thyborønvej 78  
7673 Harboøre

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  
Established: 1 January 1989  
Registered office: Lemvig  
Financial year: 1 January – 31 December

### **Board of Directors**

Mark Douglas, Chairman  
Gilberto Antoniazzi, Deputy Chariman  
Andrew David Sandifer  
Marc Hullebroeck  
Jakob Lyngsø Andersen  
Jørn Sand Tøfting  
Jens Christian Rønn Iversen  
Kapil Kumar Saini

### **Executive Board**

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

### **Auditor**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 København Ø

## Management's review

### Financial highlights

DKKm	2016	2015	2014	2013	2012
<b>Key figures</b>					
Revenue	3,025	4,066	3,386	3,313	2,706
Ordinary operating profit	259	224	583	605	362
Operating profit	267	276	613	615	380
Profit/loss from financial income and expenses	106	233	-58	-50	-62
Profit before tax	372	508	236	315	105
Profit for the year	302	434	193	273	109
<b>Balance sheet</b>					
Total assets	4,756	5,745	6,001	4,693	4,692
Share capital	300	300	300	300	300
Equity	2,476	2,173	2,267	2,102	2,002
Investment in property, plant and equipment	23	71	69	34	54
<b>Ratios</b>					
Gross margin	20.02%	21.64%	61.37%	59.64%	68.33%
Operating margin	8.83%	6.79%	18.10%	18.56%	14.04%
Return on invested capital	5.09%	4.79%	11.72%	13.11%	8.43%
Current ratio	162.00%	122.00%	181.00%	159.00%	178.00%
Return on equity	12.99%	19.55%	8.83%	13.30%	5.60%
Solvency ratio	52.06%	37.82%	37.78%	44.79%	42.67%

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". 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  $\frac{\text{Operating profit/loss} \times 100}{\text{Invested capital incl. goodwill}}$

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

Return on equity  $\frac{\text{Net profit/loss for the year} \times 100}{\text{Average equity}}$

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 realized revenue of DKKm 3,025 in 2016 and has 638 employees.

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, while also being a global company within production of lithium and food ingredients. The Cheminova A/S integration into FMC's crop protection product business was completed in 2016.

Cheminova A/S experienced a satisfactory year with operating profit of DKKm 267 which was on level with 2015.

The result is affected by sales of Cheminova subsidiaries in Australia and Mexico into existing FMC subsidiaries in those countries, liquidation of subsidiary in Canada, start-up costs for the new EMEA regional office and innovation center in Hørsholm and the discontinuation of some production lines in Ronland.

#### 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 2016, 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, 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 356.

#### Development in activities and financial position

##### Revenue

The reported revenue decreased by DKKm 1,041 to DKKm 3,025 which was a 26% reduction in revenue year on year. This was due to product and portfolio rationalization undertaken in 2016. Some Cheminova legacy products which had low gross margin were no longer included in its sales mix for 2016 as the Company looked to focus on products which delivered higher gross margin.



## Management's review

### Operating review

#### Gross profit

Gross profit decreased to DKKm 606 (2015: DKKm 880) and the gross margin slightly decreased to 20% from 21% in 2015. The production costs have decreased 24% to DKKb 2,361 (2015: DKKb 3,186). This was in line with the overall FMC Ag. Solution's business strategy in 2016.

#### Cost and operating results

Capacity costs decreased 38% to DKKm 347 (DKKm 656). The focus on development and registration activities continued in 2016. Development costs amounted to DKKm 159 or 5% of revenue (2015: DKKm 319 or 8% of revenue). The development costs relate to the ongoing activities which FMC performs for new product research and development in its laboratory in Denmark.

EBIT amounted to DKKm 267 (2015: DKKm 276) corresponding to an EBIT margin of 8.8% (6.8%).

#### Financial items and results for the period

Financial costs decreased to DKKm 112 (2015: DKKm 1.365) driven by improved hedging activities in relation to the FMC integration. Hedging activities and securitization have been transferred to FMC Corporation.

Financial income decreased to DKKm 218 (2015: DKKm 1.133). Additionally three companies were divested being Cheminova Australia (DKKm 95) and Cheminova Mexico (DKKm 31) to other FMC corporations and Cheminova Canada was liquidated (DKKm 21).

Profit before tax decreased to DKKm 372 (2015: DKKm 508). Based on an effective tax rate in 2016 of 18.7% (2015: 14.5%), net profits for the year totaled DKKm 302 (2015: DKKm 434). Overall the results were in line with the outlook provided in the 2015 financial statements.

#### Events after the balance sheet date

No significant events occurred after 31 December 2016, until the day of the signing of the annual report 2016

#### Outlook

Sales are expected to grow in 2017, with the same level of gross margin and continued focus on cost. We expect that the overall results for 2017 to be broadly in line with the results for 2016. All in all the result is expected to equal to the budget of 2017.

#### 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.

## Management's review

### Operating review

#### *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 behavior in relation to health and safety and the working environment. Read more on [fmcsustainability.com](http://fmcsustainability.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.

#### *Financial 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.

#### *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, and human rights. Cheminova A/S does not have separate CSR policies and therefore, Cheminova A/S does not follow up on the outcome of the FMC CSR policies. An independent report on the social responsibility of Cheminova A/S is not prepared.

For further information, we refer to the CSR policies of FMC. The statutory requirements for social responsibility in regards to the Danish Financial Statements Act 99a is disclosed in FMC Sustainability Report 2016.

The FMC CSR policies are accessible in the following link:

<http://fmcsustainability.com/>

#### *Goals and policies for the underrepresented gender*

Our employees are the organization's most important resource. Without them we could not take advantage of the Group's core competences and would not be able to maintain and develop the business.



## Management's review

### Operating review

HR focuses on supporting a performance culture while ensuring that the group can attract, develop and maintain qualified employees in key positions globally. The work of the HR function also focuses on diversity and the possibilities this offers, for example in relation to ensuring a dynamic environment for employees and the right balance between continuity and renewal.

The proportion of women at both Danish management level and on the Board of Directors must reflect the proportion of women in the Danish organization, which is approx. 22%. The target is that in 2020 this percentage is reflected in the Board of Directors meaning two members in the Board of Directors should be women. At present, Cheminova's Board of Directors consists of eight members none of which are females, elected by the general meeting. The Danish management includes three members, all being male. The target is not reached in 2016 due to lack of female candidates for the Board and other management levels. It is a common challenge for the board and other management levels, the lack of female candidates.

To increase the share of women in all management levels there will be paid attention to increasing the number of female managers partly through increased attention to manager and leadership development of women in the FMC Corporation and partly by increasing attention to the gender share in future employment situations. The key attention to increase the share of female executives will take place by considering professional skills and required expertise in all employments.

We hope that by showing that FMC is a diverse employer that wants to attract a balanced work force and our initiatives will help make FMC more attractive for female candidates and make them apply for management and other Board roles.

### Market and sales

The commercial integration of Cheminova delivered important benefits in 2015. We continued to expand our direct market access in Europe with our own direct operations in Poland, Czech Republic and Slovakia, where we delivered sales synergies and higher volumes.

The focus has been in portfolio rationalization and selling products which achieve higher gross margin. This has allowed us to sell proprietary products at better prices and terms, even in a challenging year for crop chemicals.

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.

### Net interest-bearing debt and Cash reserves

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

## **Management's review**

### **Operating review**

#### **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 ensure the timely handling of such risks.

The Group's risks can generally be divided into categories which are outlined above.

#### **Long-term strategic risks**

In connection with the strategy process, 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.

## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2016	2015
Revenue	2	3,024,594	4,065,919
Production costs		<u>-2,419,009</u>	<u>-3,185,752</u>
<b>Gross profit</b>		605,585	880,167
Distribution costs	3, 4	-103,555	-138,642
Administrative expenses	3, 4	-83,880	-198,718
Research and development costs	3, 4	-159,285	-318,845
Other operating income	5	<u>8,097</u>	<u>51,811</u>
<b>Operating profit</b>		266,962	275,773
Financial income	6	217,715	1,365,717
Financial expenses	7	<u>-112,355</u>	<u>-1,133,488</u>
<b>Profit before tax</b>		372,322	508,002
Tax on profit/loss for the year	8	<u>-70,016</u>	<u>-73,619</u>
<b>Profit for the year</b>		<u><u>302,306</u></u>	<u><u>434,383</u></u>



## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2016	2015
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Finished development projects	10	303,786	339,362
Know-how		88	352
Goodwill		5,316	10,632
Intangible assets under development		356,239	321,765
Software		0	25,722
Sales and registration rights, etc.		122,262	165,922
		<u>787,691</u>	<u>863,755</u>
<b>Property, plant and equipment</b>			
Land and buildings	11	70,773	79,264
Plant under construction		37,329	17,788
Technical plant and machinery		123,119	161,282
Fixtures and fittings, tools and equipment		13,004	12,767
		<u>244,225</u>	<u>271,101</u>
<b>Investments</b>			
Equity investments in group entities	12	677,878	699,713
		<u>677,878</u>	<u>699,713</u>
<b>Total fixed assets</b>		<u>1,709,794</u>	<u>1,834,569</u>
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials and consumables		284,536	410,564
Work in progress		296,287	193,422
Finished goods and goods for resale		64,832	264,340
		<u>645,655</u>	<u>868,326</u>
<b>Receivables</b>			
Trade receivables		229,911	183,032
Receivables from group entities		2,096,642	2,771,151
Other receivables		57,626	34,396
Deferred tax asset	15	0	17,579
Prepayments		10,362	27,434
		<u>2,394,541</u>	<u>3,033,592</u>
<b>Cash at bank and in hand</b>		<u>6,361</u>	<u>8,030</u>
<b>Total current assets</b>		<u>3,046,557</u>	<u>3,909,948</u>
<b>TOTAL ASSETS</b>		<u><u>4,756,351</u></u>	<u><u>5,744,517</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2016	2015
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	13	300,000	300,000
Reserve for development costs		9,283	0
Retained earnings		2,166,518	1,873,496
<b>Total equity</b>		<b>2,475,801</b>	<b>2,173,496</b>
<b>Provisions</b>			
Provisions for deferred tax	14	5,821	0
Other provisions	15	350,973	363,596
<b>Total provisions</b>		<b>356,794</b>	<b>363,596</b>
<b>Liabilities other than provisions</b>			
<b>Non-current liabilities other than provisions</b>			
Lease obligations	16	0	220
Payables to group entities		1,014,547	1,029,958
		1,014,547	1,030,178
<b>Current liabilities other than provisions</b>			
Banks, current liabilities		0	5
Trade payables		356,539	597,526
Payables to group entities		323,971	1,436,518
Other payables		228,699	143,198
		909,209	2,177,247
<b>Total liabilities other than provisions</b>		<b>1,923,756</b>	<b>3,207,425</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,756,351</b>	<b>5,744,517</b>
Staff cost	3		
Contractual obligations, contingencies, etc.	17		
Contractual liabilities	18		
Security provided	19		
Fees to auditor appointed at the general meeting	20		
Related party disclosures	21		

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Reserve for development costs</u>	<u>Retained earnings</u>	<u>Total</u>
<b>Equity at 1 January 2015</b>	300,000	0	1,440,676	1,740,676
Reversal on equity items related to internal profit eliminations	0	0	35,588	35,588
Transferred; see the [profit appropriation/distribution of loss]	0	0	1,290	1,290
Foreign exchange adjustment, foreign subsidiary	0	0	47,218	47,218
Value adjustment of hedging instruments at year end	0	0	3,037	3,037
Profit for the year	0	0	434,383	434,383
Foreign exchange adjustment, hedging of future cash flows	0	0	-88,697	-88,697
<b>Equity at 1 January 2016</b>	300,000	0	1,873,495	2,173,495
Transferred to development cost reserve	0	9,283	0	9,283
Profit for the year	0	0	293,023	293,023
<b>Equity at 31 December 2016</b>	300,000	9,283	2,166,518	2,475,801

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Cheminova A/S for 2016 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

- Going forward, dividends from equity investments in subsidiaries recognised at cost are always recognised in the income statement. In case of indication of impairment, an impairment test is conducted. Indication of impairment exists if distributed dividend exceeds profit for the year or if the carrying amount of equity investments exceeds the consolidated carrying amounts of the net assets in the subsidiary. Previously, cost was reduced to the extent that distributed dividend exceeded accumulated earnings after the acquisition date.
- Going forward, the residual value of intangible assets and property, plant and equipment must be reassessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.
- Going forward, an amount corresponding to the capitalised development costs will be tied to the restricted reserve "Reserve for development costs" under equity. 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.

The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures other than reclassification within the equity.

Apart from the above, the accounting principles, used in the preparation of the financial statement 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).



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### 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 goods are delivered, 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 are 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 Company's 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.



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### 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.

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

###### Goodwill

Goodwill arise 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 Management's experience within the individual areas of activity. The amortization period cannot exceed 10 years.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

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.

#### Intangible assets

##### *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.

##### *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)

##### 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:

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

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

Equity investments in subsidiaries 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



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

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.

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

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

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

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 developments 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.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### 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.

##### 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



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

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.

#### 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	2016	2015
<b>Region</b>		
Europe	1,959,471	1,938,984
Latin America	674,357	1,379,880
North America	211,672	326,419
Other	179,094	420,636
	<u>3,024,594</u>	<u>4,065,919</u>
<b>HIFO</b>		
Insecticides	1,066,353	1,618,242
Herbicides	780,637	1,014,692
Fungicides	728,710	977,244
Other	448,894	455,741
	<u>3,024,594</u>	<u>4,065,919</u>

## Financial statements 1 January – 31 December

### Notes

DKK'000	2016	2015
<b>3 Staff costs</b>		
Wages and salaries	196,763	384,143
Retirement benefit contributions	10,838	28,637
Social security expenses	8,473	19,025
Other staff costs	19,535	19,321
	<u>235,609</u>	<u>451,126</u>
<b>Remuneration of Executive Board</b>		
Remuneration	6,966	2,854
Retirement benefit contributions	309	285
Bonus	539	4,140
Others	844	39
	<u>8,658</u>	<u>7,318</u>
Average number of full-time employees	<u>638</u>	<u>862</u>
<b>4 Depreciation, amortisation, impairment losses and write-downs</b>		
Production costs	54,549	90,782
Distribution costs	43,660	44,692
Administrative costs	32,584	102,730
Research and development costs etc.	46,406	137,028
	<u>177,199</u>	<u>375,232</u>
<b>5 Other operating income</b>		
Administration fee from Auriga	0	525
Other income	8,097	51,286
	<u>8,097</u>	<u>51,811</u>
<b>6 Financial income</b>		
Interest income from group entities	40,005	22,987
Foreign exchange gains	23,618	935,663
Other interest income	7,180	10,203
Dividends received	0	88,696
Divestment of financial asset	146,912	308,168
	<u>217,715</u>	<u>1,365,717</u>

## Financial statements 1 January – 31 December

### Notes

DKK'000	2016	2015
<b>7 Financial expenses</b>		
Interest expense to group entities	38,431	23,834
Foreign exchange losses	57,220	968,654
Impairment of investments in subsidiaries	0	36,251
Other financial expenses	16,704	104,749
	<u>112,355</u>	<u>1,133,488</u>
	<u><u>112,355</u></u>	<u><u>1,133,488</u></u>
<p>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.</p>		
DKK'000	2016	2015
<b>8 Tax on profit/loss for the year</b>		
Current tax for the year	26,292	0
Adjustment of deferred tax for the year	23,298	34,015
Tax provisions related to foreign activities	24,224	32,095
Adjustment relating to previous years	-3,798	7,509
	<u>70,016</u>	<u>73,619</u>
	<u><u>70,016</u></u>	<u><u>73,619</u></u>
<b>Which is specified as follows:</b>		
Tax on profit for the year	70,016	73,619
Tax on changes in equity	0	-3,037
	<u>70,016</u>	<u>70,582</u>
	<u><u>70,016</u></u>	<u><u>70,582</u></u>
<b>9 Proposed profit appropriation</b>		
Retained earnings	293,023	434,383
Reserve for development costs	9,283	0
	<u>302,306</u>	<u>434,383</u>
	<u><u>302,306</u></u>	<u><u>434,383</u></u>



## Financial statements 1 January – 31 December

### Notes

#### 10 Intangible assets

DKK'000	Sales and registration rights etc.	Finished development projects	Know-how	Software	Goodwill	Intangible assets under development
Cost at 1 January	628,633	467,765	239,421	219,090	37,210	379,282
Additions	0	9,283	0	0	0	37,208
Disposals	0	0	0	0	0	-2,734
Cost at 31 December 2016	628,633	477,048	239,421	219,090	37,210	413,756
Amortisation and impairment losses at 1 January 2016	-462,711	-128,403	-239,069	-193,368	-26,579	-57,517
Amortisation	-43,660	-44,859	-264	-25,722	-5,315	0
Amortisation and impairment losses at 31 December 2016	-506,371	-173,262	-239,333	-219,090	-31,894	-57,517
<b>Carrying amount at 31 December 2016</b>	<b>122,262</b>	<b>303,786</b>	<b>88</b>	<b>0</b>	<b>5,316</b>	<b>356,239</b>

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 comprise crop protection products. The projects are expected to be completed in 2017 - 2018 where considerable economic benefits are expected.

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
Cost at 1 January 2016	482,341	2,262,418	163,514	17,788
Additions	1,618	4,171	3,331	22,776
Transferred	0	3,235	0	-3,235
Disposals	0	-1,408	-677	0
Cost at 31 December 2016	483,959	2,268,416	166,168	37,329
Depreciation and impairment losses at 1 January 2016	-403,077	-2,101,136	-150,747	0
Depreciation	-10,109	-44,176	-3,094	0
Disposals	0	15	677	0
Depreciation and impairment losses at 31 December 2016	-413,186	-2,145,297	-153,164	0
<b>Carrying amount at 31 December 2016</b>	<b>70,773</b>	<b>123,119</b>	<b>13,004</b>	<b>37,329</b>

## Financial statements 1 January – 31 December

### Notes

#### 12 Equity investments in group entities

DKK'000	2016	2015
Cost at 1 January	699,713	1,143,674
Impairment	0	-36,251
Disposals	-87,839	-407,710
Capital increase	66,004	0
Cost at 31 December	677,878	699,713

Name/legal form	Registered office	Ownership	Equity DKK'000	Profit/loss for the year DKK'000
Subsidiaries:				
Headland Agrochemicals Ltd.	Great Britain	100%	22,515	41,637
Cheminova Deutschland GmbH & Co. KG	Germany	100%	86,360	59,820
Cheminova Austria GmbH	Austria	100%	3,868	5,959
Althaller italia S.r.l.	Italy	100%	133	2,140
Cheminova Agro France S.A.S	France	100%	13,908	13,620
Cheminova S.A.	Spain	100%	1,608	2,935
Cheminova Agro Italia S.r.l.	Italy	100%	11,502	9,639
Cheminova Bulgaria EOOD	Bulgaria	100%	-5,583	-1,984
Cheminova Hungary Ltd.	Hungary	100%	1,977	5,314
Cheminova polska SP.zoo.o.	Poland	100%	1,443	2,850
Cheminova LLC	Russia	100%	32,966	16,315
Pytech Chemicals GmbH	Switzerland	100%	-25,768	12,239
Cheminova China Ltd.	China	100%	-613	-1,429
Cheminova Agro de Colombia S.A.	Colombia	100%	4,132	-40,064
Cheminova Uruguay, S.A.	Uruguay	100%	3,809	-22,185
Cheminova Agro de Argentina S.A.	Argentina	100%	-94,828	-37,756
Cheminova India Ltd.	India	100%	-2,579	18,803
Cheminova Taiwan Ltd.	Taiwan	100%	1,698	-13,304
			56,548	74,549

Information is retrieved from FMC's consolidated US GAAP result portal.



## Financial statements 1 January – 31 December

### Notes

#### 13 Share capital

The share capital consists of 300,000 shares with a nominal value of DKK 1,000 each. All shares rank equally.

The share capital has not changed in the past five years.

DKK'000	2016	2015
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#### 14 Provisions

Anniversary bonus	3,732	3,648
Environmental reserve	312,571	323,485
Tax provision regarding foreign jurisdictions	34,670	34,670
Other	0	1,793
	350,973	363,596

The provisions are expected to be activated as follows:

0-1 years	56,632	58,488
1-5 years	81,865	82,678
>5 years	212,476	222,430
	350,973	363,596

#### 15 Deferred tax

Intangible assets	-94,639	-78,815
Property, plant and equipment	31,705	37,052
Provisions, other	57,113	59,342
	-5,821	17,579

#### 16 Non-current liabilities other than provisions

Loans from group entities	1,014,547	1,029,958
Lease obligations	0	220
	1,014,547	1,030,178

## Financial statements 1 January – 31 December

### Notes

#### 17 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.

##### 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.

#### 18 Contractual liabilities

The Company's liabilities under operating leases amount to DKKm 20 of which DKKm 6 is due within 1 year, DKKm 13 between 1-5 year and DKKm 1 past 5 years. The Company's office rent obligation amounts to DKKm 211 covering the minimum rental for 8 years.

#### 19 Security provided

Mortgage deeds of DKKm 401 has been registered on land and buildings. This is to secure the mortgage debt of DKKm 0.

Furthermore, the Group has floating charges in fixed assets, stocks and debtors on total book value of DKKm 30.

The Company provides security for Cheminova Deutschland GMBH&CO.KG

Bank guarantees of DKKm 24 has been provided for customers and authorities.

#### 20 Fees to auditor appointed at the general meeting

DKK'000	2016	2015
<b>KPMG</b>		
Audit	750	925
Tax	0	0
Other services	75	0
	<u>825</u>	<u>925</u>

## 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.

Cheminova A/S is part of the consolidated financial statements of FMC Corporation, 2929 Walnut Street, Philadelphia, PA 19104, USA, which is the smallest and largest group in which the Company is included as a subsidiary.

The consolidated financial statements of Cheminova A/S can be obtained by contacting the Company or at the following website:

<http://phx.corporate-ir.net/phoenix.zhtml?c=117919&p=irol-reportsannual>

##### Related party transactions

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(7) of the Danish Financial Statements Act.

##### 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).