

ECOstyle A/S

Hvidkærvej 17, 5250 Odense SV
CVR no. 18 92 90 07

Annual report for the financial year 01.10.15 - 30.09.16

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 18.01.17

Jehannes Santema
Dirigent

Company information etc.	3
Statement of the Board of Directors and Executive Board on the annual report	4
Independent auditor's reports	5 - 6
Management's review	7
Income statement	8
Balance sheet	9 - 10
Accounting policies	11 - 15
Notes	16 - 19

The company

ECOstyle A/S
Hvidkærvej 17
5250 Odense SV
Tel.: 70 22 70 67
Registered office: Odense SV
CVR no.: 18 92 90 07
Founded: 29. oktober 1995
Financial year: 01.10 - 30.09

Board of Directors

Jehannes Wiebren Santema, chairman
Jan Sido Zwart, member
Lars Hegelund Bjørnsbo, member

Executive Board

Lars Hegelund Bjørnsbo

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Bank

Sydbank

Parent company

ECOstyle Holding B.V., Vaart Noordzijde 2, 8426 An Appelscha, Holland

Statement of the Board of Directors and Executive Board on the annual report

Board of Directors and Executive Board have on this day considered and adopted the annual report for the financial year 01.10.15 - 30.09.16 for ECOstyle A/S.

The annual report is presented in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities, financial position and results.

We believe that the management's review gives a true and fair review of the matters dealt with in the review.

The annual report is submitted for adoption by the general meeting.

Odense SV, November 21, 2016

Executive Board

Lars Hegelund Bjørnsbo

Board of Directors

Jehannes Wiebren Santema Jan Sido Zwart
Chairman

Lars Hegelund Bjørnsbo

To the capital owner of ECOstyle A/S**REPORT ON FINANCIAL STATEMENTS**

We have audited the financial statements of ECOstyle A/S for the financial year 01.10.15 - 30.09.16, which comprise the income statement, balance sheet, accounting policies and notes. The financial statements are prepared in accordance with Danish Financial Statements Act.

Management's responsibility for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish Audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualifications.

Opinion

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 30.09.16 and of the results of the company's operations for the financial year 01.10.15 - 30.09.16 in accordance with the Danish Financial Statements Act.

STATEMENT ON THE MANAGEMENT'S REVIEW

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Odense, November 21, 2016

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Henrik Welinder
State Authorized Public Accountant

Mette Berntsen
State Authorized Public Accountant

Main activities

Marketing and sale of pesticides, biocides and fertilisers of natural origin – mostly allowed to ecological areas.

Development in the company's financial activities and affairs

The income statement for the period 01.10.15 - 30.09.16 showed a result of DKK 4,764,286 against DKK 6,699,118 for the period 01.10.14 - 30.09.15. The balance sheet showed equity of DKK 22,011,762.

The general trend in society of increased demand after sustainable products has in the fiscal year 2015/16 been continued. The high turnover of last fiscal year has been defended and the financial result almost to the same level. This despite increasing costs to support products with environmental data's and especially higher and higher demands from customers of support in all aspects.

For ECOstyle's activities (hobby garden market) in retail the trend is very clear, that products of sustainable origin wins market shares. But a very competitive market situation does give less space for investments in developing new products.

For professional activities (agriculture, municipals and roof cleaners) the result is year by year growing and for some products 2016 was again an extraordinary year.

In future general high investments/costs are expected to defend Pesticidal - /Biocidal products in Nordic market (zone north) due to cost of registration, safety data and in general a strong development in costs staying active and innovative in the market.

The result in 2015 is again extraordinary high and in coming year, this level will not be reachable. The stock size of this year is by far too big, but due to the worst draft since 1874 in September, a stock of products was not sold due to the draft, but all goods are sellable for season 2017.

The management considers the net profit for the year to be satisfactory.

Important events occurring after the end of the financial year

No events materially affecting the financial position of the company have occurred after the end of the financial year.

Income statement

Note		2015/16 DKK	2014/15 DKK
	Gross profit	15.174.964	18.707.240
1	Staff costs	-8.832.867	-9.477.544
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	6.342.097	9.229.696
2	Depreciation, amortisation, impairment losses and write-downs of property, plant and equipment	-157.719	-235.077
	Operating profit/loss	6.184.378	8.994.619
	Other operating costs	0	-16.958
	Profit/loss before net financials	6.184.378	8.977.661
3	Other financial income	112.651	7.416
4	Other financial expenses	-170.124	-200.609
	Total net financials	-57.473	-193.193
	Profit/loss before tax and extraordinary items	6.126.905	8.784.468
5	Tax on profit/loss for the year	-1.362.619	-2.085.350
	Profit/loss for the year	4.764.286	6.699.118
	Proposed appropriation account		
	Retained earnings	4.764.286	6.699.118
	Total	4.764.286	6.699.118

ASSETS		30.09.16	30.09.15
Note		DKK	DKK
	Other plant, fixtures and fittings, tools and equipment	390.545	440.763
6	Total property, plant and equipment	390.545	440.763
	Other receivables	146.894	65.793
	Total investments	146.894	65.793
	Total non-current assets	537.439	506.556
	Manufactured goods and goods for resale	12.360.206	3.019.430
	Total inventories	12.360.206	3.019.430
	Trade receivables	4.548.405	12.710.059
	Receivables from group enterprises	6.706.170	0
	Deferred tax asset	37.160	15.781
	Other receivables	2.199.350	108.616
	Prepayments	14.800	63.883
	Total receivables	13.505.885	12.898.339
	Cash	7.417.936	11.747.463
	Total current assets	33.284.027	27.665.232
	Total assets	33.821.466	28.171.788

EQUITY AND LIABILITIES		30.09.16	30.09.15
		DKK	DKK
Note			
	Share capital	500.000	500.000
	Retained earnings	21.511.762	16.747.476
7	Total equity	22.011.762	17.247.476
	Debt to credit institutions	0	314.759
	Trade payables	596.322	1.886.497
	Payables group enterprises	97.525	0
	Income tax	1.272.998	2.264.633
	Other payables	9.842.859	6.458.423
	Total short-term payables	11.809.704	10.924.312
	Total payables	11.809.704	10.924.312
	Total equity and liabilities	33.821.466	28.171.788

- 8 Contingent liabilities
 9 Contractual obligations
 10 Related parties

GENERAL

The annual report has been presented in accordance with the provisions of the Danish Financial Statements Act for reporting class B enterprises.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost applying a constant effective rate of interest over the term of the assets and liabilities. Amortised cost is determined as original cost less any principal repayments and less/plus accumulated amortisation of the difference between cost and nominal value.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the time at which the annual report is presented and proving or disproving matters arising on the balance sheet date.

FOREIGN CURRENCY

The annual report is presented in Danish kroner.

On initial recognition, transactions denominated in foreign currency are translated at the exchange rate applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rate applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or liability arose or was recognised in the latest annual report is recognised in the income statement under financial income or expenses. Non-current assets, inventories and other non-monetary assets acquired in foreign currency are translated using historical ex-change rates.

INCOME STATEMENT

Gross profit

Gross profit comprises revenue, costs relating to raw materials and consumables as well as other external costs.

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year. Revenue is determined at fair value exclusive of VAT and discounts.

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary write-downs of the relevant inventories.

Staff cost

Staff cost consist of wages, salaries and other cost related to staff.

Other external expenses

Other external expenses comprise distribution, selling, advertising and administration costs as well as costs of premises, bad debts and operating leases.

Other operating income

Other operating income comprises items of a secondary nature in relation to the enterprise's activities, including proceeds from the disposal of intangible assets and property, plant and equipment.

Other operating expenses

Other operating expenses comprise items of a secondary nature in relation to the enterprise's activities, including losses from the disposal of intangible assets and property, plant and equipment.

Depreciation

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. The following useful lives and residual values are applied by the company:

	Useful life, year	Residual value, per cent
Other fixtures and fittings, tools and equipment	3-5	0

New acquisitions of other fixtures and fittings, tools and equipment with a cost of less than DKK 12,900 each are expensed in the income statement in the year of acquisition.

Net financials

Interest income and interest expenses, foreign currency translation adjustments as well as realised and unrealised capital gains and losses on securities are recognised under net financials.

Amortisation of capital losses and loan costs relating to financial assets and liabilities is recognised on an ongoing basis as financial expenses and financial income, respectively.

Tax

The current and deferred taxes for the year are recognised in the income statement as taxes for the year with the portion attributable to the net profit or loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

BALANCE SHEET

Property, plant and equipment

Property, plant and equipment are measured in the balance sheet at the lower of cost less accumulated depreciation and recoverable amount.

Cost comprises the purchase price and any costs directly related to the purchase until the date when the asset is available for use.

Gains and losses from the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount on the date of disposal.

Investments

Equity investments in associates are impaired to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost according to the FIFO principle and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses directly related to the purchase.

The cost of manufactured goods and work in progress is determined as the value of direct material and labour costs. Interest on loans to finance production is not included in the cost.

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

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined on the basis of an assessment of the individual receivables.

Prepayments

Prepayments comprise costs incurred in respect of the next financial year.

Cash

Cash consist of bank deposits and cash at bank and in hand.

Equity

The proposed dividend for the financial year is recognised as a special item under equity.

Current and deferred taxes

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for taxes paid on account.

Deferred tax liabilities and deferred tax assets are computed on the basis of all temporary differences between the carrying amount and tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting either the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of the management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Liabilities

Current liabilities are measured at amortised cost, which usually corresponds to the nominal value of the liability.

	2015/16 DKK	2014/15 DKK
1. Staff costs		
Wages	5.915.443	9.034.742
Pensions	2.398.178	48.637
Other social security expenses	89.779	59.380
Other staff costs	429.467	334.785
Total	8.832.867	9.477.544
Average number of employees in the year	14	13

2. Depreciation, amortisation, impairment losses and write-downs of property, plant and equipment

Depreciation of property, plant and equipment	157.719	235.077
---	---------	---------

3. Other financial income

Financial income from group enterprises	110.101	0
Interest income	2.550	7.416
Total	112.651	7.416

4. Other financial expenses

Financial expenses for group enterprises	0	96.278
Interest expenses	57.596	77.380
Foreign exchange losses	112.528	26.951
Total	170.124	200.609

	2015/16 DKK	2014/15 DKK
5. Taxes		
Tax on profit for the year	1.383.998	2.013.128
Deferred tax of the year	-21.379	72.222
Total	1.362.619	2.085.350

6. Property, plant and equipment

Figures in DKK	Other plant, fixtures and fittings, tools and equipment
Cost as at 30.09.15	840.674
Additions during the year	107.500
Disposals during the year	-25.034
Cost as at 30.09.16	923.140
Depreciation and impairment losses as at 30.09.15	399.910
Depreciation during the year	157.719
Depreciation and impairment losses disposed assets	-25.034
Depreciation and impairment losses as at 30.09.16	532.595
Carrying amount as at 30.09.16	390.545

7. Equity

Figures in DKK	Share capital	Retained earnings
<i>Statement of changes in equity for the period 01.10.14 - 30.09.15</i>		
Balance as at 30.09.14	500.000	10.336.768
Net effect of correction of fundamental errors	0	-288.410
Balance as at 30.09.14	500.000	10.048.358
Proposed distribution of net profit	0	6.699.118
Balance as at 30.09.15	500.000	16.747.476

Statement of changes in equity for the period 01.10.15 - 30.09.16

Statement of changes in equity for the period as at 01.10.15	500.000	16.747.476
Proposed distribution of net profit	0	4.764.286
Statement of changes in equity for the period as at 30.09.16	500.000	21.511.762

There have been no changes in share capital during the four preceding financial years.

The share capital consists of:

	Quantity	Nominal value
Shares	500	1.000

8. Contingent liabilities

None.

9. Contractual obligations

The company has concluded operating lease agreements with terms to maturity of 15 - 33 months and average lease payments of t. DKK95 , a total of t.DKK 2.402.

10. Related parties

Basis of influence

Controlling influence:

ECOstyle Holding B.V., Vaart Noordzijde 2, 8426 An Appelscha, Holland	Ownership
---	-----------