

**KWS Scandinavia A/S**  
**Central Business Registration No**  
**30710495**  
**Lysholt Allé 10**  
**7100 Vejle**

**Annual report 2015/16**

The Annual General Meeting adopted the annual report on 25.11.2016

**Chairman of the General Meeting**

---

Name: Marcelo Repetto

## **Contents**

	<b><u>Page</u></b>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's reports	3
Management commentary	5
Accounting policies	6
Income statement for 2015/16	10
Balance sheet at 30.06.2016	11
Statement of changes in equity for 2015/16	13
Notes	14

## **Entity details**

### **Entity**

KWS Scandinavia A/S  
Lysholt Allé 10  
7100 Vejle

Central Business Registration No: 30710495

Registered in: Vejle

Financial year: 01.07.2015 - 30.06.2016

Phone: +4554843211

Fax: +4554843214

### **Board of Directors**

Marcelo Repetto, Chairman

Stefan Reinhold Bruns

Cesar Ruano

Johann Wilhelm Thomas Mallmann

### **Executive Board**

Claus Winther Nymand

Harald Elis Pålsson

### **Auditors**

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

Postboks 1600

0900 København C

## **Statement by Management on the annual report**

The Board of Directors and the Executive Board have today considered and approved the annual report of KWS Scandinavia A/S for the financial year 01.07.2015 - 30.06.2016.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2016 and of the results of its operations for the financial year 01.07.2015 - 30.06.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Vejle, 25.11.2016

### **Executive Board**

Claus Winther Nymand

Harald Elis Pålsson

### **Board of Directors**

Marcelo Repetto  
Chairman

Stefan Reinhold Bruns

Cesar Ruano

Johann Wilhelm Thomas  
Mallmann

## **Independent auditor's reports**

### **To the owners of KWS Scandinavia A/S**

#### **Report on the financial statements**

We have audited the financial statements of KWS Scandinavia A/S for the financial year 01.07.2015 - 30.06.2016, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

#### **Management's responsibility for the financial statements**

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

#### **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 about whether 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 judgment, 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 Entity'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 Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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 audit opinion.

Our audit has not resulted in any qualification.

#### **Opinion**

In our opinion, the financial statements give a true and fair view of the Company's financial position at 30.06.2016 and of the results of its operations for the financial year 01.07.2015 - 30.06.2016 in accordance with the Danish Financial Statements Act.

## **Independent auditor's reports**

### **Statement on the management commentary**

Pursuant to the Danish Financial Statements Act, we have read the management commentary. 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 commentary is consistent with the financial statements.

Copenhagen, 25.11.2016

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Flemming Larsen  
State Authorised Public Accountant

CVR-nr. 33963556

## **Management commentary**

### **Primary activities**

The Company's primary activity comprises facilitation of sale of seed and of all sorts of agricultural crops.

### **Development in activities and finances**

The Company's operations in the financial period under review and the Company's financial position at 30 June 2016 are reflected in the income statement and balance sheet with accompanying notes.

Profit for the year of DKK 959,740 meets expectations.

### **Events after the balance sheet date**

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

## **Accounting policies**

### **Reporting class**

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

The accounting policies applied for these financial statements are consistent with those applied last year.

### **Recognition and measurement**

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

### **Income statement**

#### **Gross profit or loss**

Gross profit or loss comprises revenue, other operating income, cost of materials and consumables and external expenses.



## **Accounting policies**

### **Revenue**

Revenue from the sale of goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### **Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

### **Staff costs**

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses relating to property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

### **Other financial income**

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on transactions in foreign currencies etc.

### **Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on transactions in foreign currencies etc.

### **Income taxes**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

## **Balance sheet**

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

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

## Accounting policies

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-10 years
--	------------

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### Cash

Cash comprises cash in hand and bank deposits.

### Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

### Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

## **Accounting policies**

### **Income tax receivable or payable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

## Income statement for 2015/16

	<u>Notes</u>	<u>2015/16 DKK</u>	<u>2014/15 DKK'000</u>
<b>Gross profit</b>	1	<b>9.653.300</b>	<b>9.898</b>
Staff costs	2	(8.337.975)	(8.258)
Depreciation, amortisation and impairment losses	3	(67.713)	(83)
<b>Operating profit/loss</b>		<b>1.247.612</b>	<b>1.557</b>
Other financial income		3	3
Other financial expenses		(6.663)	(37)
<b>Profit/loss from ordinary activities before tax</b>		<b>1.240.952</b>	<b>1.523</b>
Tax on profit/loss from ordinary activities	4	(281.212)	(357)
<b>Profit/loss for the year</b>		<b><u>959.740</u></b>	<b><u>1.166</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		959.740	1.166
		<b><u>959.740</u></b>	<b><u>1.166</u></b>

**Balance sheet at 30.06.2016**

	<u>Notes</u>	<u>2015/16 DKK</u>	<u>2014/15 DKK'000</u>
Other fixtures and fittings, tools and equipment		131.904	187
<b>Property, plant and equipment</b>	5	<u>131.904</u>	<u>187</u>
Deposits		0	142
<b>Fixed asset investments</b>	6	<u>0</u>	<u>142</u>
<b>Fixed assets</b>		<u>131.904</u>	<u>329</u>
Trade receivables		848.733	20
Receivables from group enterprises		25.822.894	12.353
Deferred tax assets	7	4.381	1
Other short-term receivables		42.953	15
Prepayments		238.929	78
<b>Receivables</b>		<u>26.957.890</u>	<u>12.467</u>
<b>Cash</b>		<u>296.160</u>	<u>108</u>
<b>Current assets</b>		<u>27.254.050</u>	<u>12.575</u>
<b>Assets</b>		<u><u>27.385.954</u></u>	<u><u>12.904</u></u>

**Balance sheet at 30.06.2016**

	<u>Notes</u>	<u>2015/16 DKK</u>	<u>2014/15 DKK'000</u>
Contributed capital	8	1.000.000	1.000
Retained earnings		<u>6.131.137</u>	<u>5.171</u>
<b>Equity</b>		<u><b>7.131.137</b></u>	<u><b>6.171</b></u>
Income tax payable		163.897	312
Other payables		<u>0</u>	<u>1</u>
<b>Non-current liabilities other than provisions</b>		<u><b>163.897</b></u>	<u><b>313</b></u>
Bank loans		0	3
Trade payables		2.590.759	1.891
Debt to group enterprises		12.524.354	2.302
Income tax payable		354.795	255
Other payables		<u>4.621.012</u>	<u>1.969</u>
<b>Current liabilities other than provisions</b>		<u><b>20.090.920</b></u>	<u><b>6.420</b></u>
<b>Liabilities other than provisions</b>		<u><b>20.254.817</b></u>	<u><b>6.733</b></u>
<b>Equity and liabilities</b>		<u><u><b>27.385.954</b></u></u>	<u><u><b>12.904</b></u></u>
Unrecognised rental and lease commitments	9		
Ownership	10		
Consolidation	11		

**Statement of changes in equity for 2015/16**

	<b>Contributed capital DKK</b>	<b>Retained ear- nings DKK</b>	<b>Total DKK</b>
Equity beginning of year	1.000.000	5.171.397	6.171.397
Profit/loss for the year	0	959.740	959.740
<b>Equity end of year</b>	<b>1.000.000</b>	<b>6.131.137</b>	<b>7.131.137</b>

## Notes

### 1. Gross profit

The Entity's revenue primarily relates to income from consolidated companies for sales work performed.

	<b>2015/16</b>	<b>2014/15</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>2. Staff costs</b>		
Wages and salaries	7.297.266	7.374
Pension costs	704.401	524
Other social security costs	336.308	360
	<b>8.337.975</b>	<b>8.258</b>

	<b>2015/16</b>	<b>2014/15</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>3. Depreciation, amortisation and impairment losses</b>		
Depreciation of property, plant and equipment	67.713	72
Profit/loss from sale of intangible assets and property, plant and equipment	0	11
	<b>67.713</b>	<b>83</b>

	<b>2015/16</b>	<b>2014/15</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>4. Tax on ordinary profit/loss for the year</b>		
Current tax	284.988	366
Change in deferred tax for the year	(3.776)	(5)
Adjustment relating to previous years	0	(4)
	<b>281.212</b>	<b>357</b>



## Notes

	<b>Other fixtures and fittings, tools and equipment DKK</b>	
	<u>DKK</u>	
<b>5. Property, plant and equipment</b>		
Cost beginning of year		440.639
Additions		13.126
<b>Cost end of year</b>		<u><b>453.765</b></u>
Depreciation and impairment losses beginning of the year		(254.148)
Depreciation for the year		(67.713)
<b>Depreciation and impairment losses end of the year</b>		<u><b>(321.861)</b></u>
<b>Carrying amount end of year</b>		<u><b>131.904</b></u>
		<u><b>Deposits DKK</b></u>
<b>6. Fixed asset investments</b>		
Cost beginning of year		141.536
Additions		97.394
Disposals		(238.930)
<b>Cost end of year</b>		<u><b>0</b></u>
<b>Carrying amount end of year</b>		<u><b>0</b></u>
	<u><b>2015/16 DKK</b></u>	<u><b>2014/15 DKK'000</b></u>
<b>7. Deferred tax</b>		
Property, plant and equipment	4.381	1
	<u><b>4.381</b></u>	<u><b>1</b></u>
	<u><b>Number</b></u>	<u><b>Par value DKK</b></u>
<b>8. Contributed capital</b>		<u><b>Nominal value DKK</b></u>
Ordinary shares	1.000	100,00
	<u><b>1.000</b></u>	<u><b>1.000.000</b></u>

There have been no changes to contributed capital during the past five financial years.

## Notes

	<u>2015/16</u> <u>DKK</u>	<u>2014/15</u> <u>DKK'000</u>
<b>9. Unrecognised rental and lease commitments</b>		
Commitments under rental agreements or leases until expiry	<u>393.904</u>	<u>678.240</u>

## 10. Ownership

The Company has registered the following shareholder to hold more than 5% of the voting share capital or of the nominal value of the share capital:

KWS Intersat GmbH, Tyskland

## 11. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

KWS Intersat GmbH, Germany