

# Procross ApS

Ebeltoftvej 16  
8960 Randers SØ  
Denmark

CVR no. 35 63 33 32

## Annual report 2017

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

25 April 2018

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chairman

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

The Board of Directors and the Executive Board have today discussed and approved the annual report of Procross ApS for the financial year 1 January – 31 December 2017.

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 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Randers, 25 April 2018  
Executive Board:

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Stephane Rene Yannick  
Fitamant

Board of Directors:



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Tristan Guy Michael Gaiffe



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Sara Mathilda Wiklert  
Petersson



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Stephane Rene Yannick  
Fitamant



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Rex Archard Clausager



## Independent auditor's report

### To the shareholders of Procross ApS

#### Opinion

We have audited the financial statements of Procross ApS for the financial year 1 January – 31 December 2017 comprising income statement, balance sheet 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 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 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.

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.



## Independent auditor's report

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Aarhus, 25 April 2018

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Anette Harritz  
State Authorised  
Public Accountant  
MNE no. 9368

Jakob Westerdahl  
State Authorised  
Public Accountant  
MNE no. 31449

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## Management's review

### Company details

Procross ApS  
Ebeltoftvej 16  
8960 Randers SØ  
Denmark

CVR no.:	35 63 33 32
Established:	1 January 2014
Registered office:	Randers
Financial year:	1 January – 31 December

### Board of Directors

Tristan Guy Michael Gaiffe  
Sara Mathilda Wiklert Petersson  
Stephane Rene Yannick Fitamant  
Rex Archard Clausager

### Executive Board

Stephane Rene Yannick Fitamant

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Bredskifte Allé 13  
DK-8210 Aarhus V  
Denmark

## Management's review

### Operating review

#### Principal activities

Procross ApS, which was established as a joint venture by Danish VikingGenetics F.M.B.A and French Coopex Montbeliarde, acts as an invoicing entity for the founding companies, which purchase and resell bull semen for the purpose of cross-breeding in markets outside Denmark, Sweden, Finland and France.

#### Development in activities and financial position

The income statement for 2017 shows a profit of EUR 31 thousand as against EUR 31 thousand last year, and equity in the balance sheet at 31 December 2017 stood at EUR 163 thousand as against EUR 132 thousand last year.

In an overall perspective, performance for 2017 was in line with last year and expectations and is considered satisfactory.

#### Events after the balance sheet date

No significant events have occurred subsequent to the financial year.



## Financial statements 1 January – 31 December

### Income statement

EUR	Note	2017	2016
Gross profit		<u>40,595</u>	<u>40,942</u>
Operating profit		40,595	40,942
Financial expenses		<u>-224</u>	<u>-768</u>
Profit before tax		40,371	40,174
Tax on profit for the year		<u>-8,925</u>	<u>-8,910</u>
Profit for the year		<u>31,446</u>	<u>31,264</u>
<b>Proposed profit appropriation</b>			
Retained earnings		<u>31,446</u>	<u>31,264</u>

## Financial statements 1 January – 31 December

### Balance sheet

EUR	Note	2017	2016
<b>ASSETS</b>			
<b>Current assets</b>			
<b>Receivables</b>			
Trade receivables		1,277,612	1,015,845
Other receivables		31,388	40,284
		<u>1,309,000</u>	<u>1,056,129</u>
Cash at bank and in hand		139,979	285,378
<b>Total current assets</b>		<u>1,448,979</u>	<u>1,341,507</u>
<b>TOTAL ASSETS</b>		<u>1,448,979</u>	<u>1,341,507</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		53,592	53,592
Retained earnings		109,607	78,161
<b>Total equity</b>		<u>163,199</u>	<u>131,753</u>
<b>Liabilities other than provisions</b>			
<b>Current liabilities other than provisions</b>			
Trade payables		44,294	11,626
Payables to associates		1,144,792	1,105,794
Corporation tax		4,624	5,689
Other payables		88,515	86,645
Deferred income		3,555	0
		<u>1,285,780</u>	<u>1,209,754</u>
<b>Total liabilities other than provisions</b>		<u>1,285,780</u>	<u>1,209,754</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,448,979</u>	<u>1,341,507</u>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Procross ApS for 2017 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

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

#### Reporting currency

The financial statements are presented in EUR, as the entity's most significant transactions are settled in EUR.

### Income statement

#### Gross Profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit. Gross profit comprise revenue, cost of sales, other external costs and other operating income.

#### Revenue

Income from the sale of goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms © 2015.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

#### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

#### Other external costs

Other external costs comprise costs for distribution and sales costs, costs for advertising, administrative expenses, costs of premises, staff costs re-invoiced from VikingGenetics F.M.B.A and Coopex Montbeliarde etc.

#### Financial income and expenses

Financial income and expenses comprise interest income and expense, payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

#### Tax on profit for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit for the year is recognised in the income

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

### Balance sheet

#### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable is used as discount rate.

#### Cash at bank and in hand

Cash at bank and in hand comprise cash and short-term marketable securities which are subject to only an insignificant risk of changes in value.

#### Corporation tax and deferred tax

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

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

#### Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

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## Financial statements 1 January – 31 December

### Notes

#### 2 Staff costs

The Company has no employees.

