

Sakata Ornamentals Europe A/S

Odensevej 82
DK-5290 Marslev

CVR no. 27 19 23 35

Annual report 2021/22

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

11 July 2022


Chairman of the annual general meeting

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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 Sakata Ornamentals Europe A/S for the financial year 1 April 2021 – 31 March 2022.

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 March 2022 and of the results of the Company's operations and cash flows for the financial year 1 April 2021 – 31 March 2022.

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

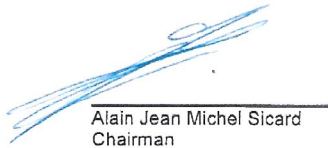
We recommend that the annual report be approved at the annual general meeting.

Marslev, 11 July 2022
Executive Board:



Johannes J.W. van
Popering

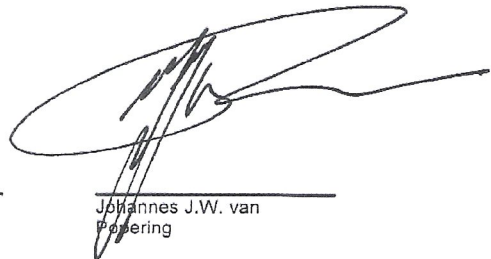
Board of Directors:



Alain Jean Michel Sicard
Chairman



Akio Seki



Johannes J.W. van
Popering

Independent auditor's report

To the shareholders of Sakata Ornamentals Europe A/S

Opinion

We have audited the financial statements of Sakata Ornamentals Europe A/S for the financial year 1 April 2021 – 31 March 2022 comprising income statement, balance sheet, statement of changes in equity, cash flow statement 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 March 2022 and of the results of the Company's operations and cash flows for the financial year 1 April 2021 – 31 March 2022 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Management's responsibility for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

Independent auditor's report

- 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.

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.



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Independent auditor's report

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, 11 July 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Nikolaj Møller Hansen
State Authorised
Public Accountant
mne33220

Michael E. K. Rasmussen
State Authorised
Public Accountant
mne41364

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Management's review

Company details

Sakata Ornamentals Europe A/S
Odensevej 82
5290 Marslev
Denmark

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Fax:	+45 63 90 64 99
Website:	www.sakataornamentals.eu
E-mail:	flowers@sakata.eu

CVR no.:	27 19 23 35
Established:	4 June 2003
Registered office:	Marslev
Financial year:	1 April – 31 March

Board of Directors

Alain Jean Michel Sicard, Chairman
Akio Seki
Johannes J.W. van Popering

Executive Board

Johannes J.W. van Popering

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Frederiks Plads 42
8000 Aarhus C
Denmark
CVR no. 25 57 81 98

Management's review

Financial highlights

EUR'000	2021/22	2020/21	2019/20	2018/19	2017/18
Key figures					
Revenue	25,826	22,813	22,512	21,544	19,828
Gross profit	7,704	6,952	5,783	6,166	4,645
Profit before financial income and expenses	3,361	2,827	2,087	2,439	1,277
Profit/loss from financial income and expenses	-19	135	-86	-237	307
Profit for the year	3,026	2,919	1,936	2,350	1,584
Total assets	28,952	25,404	24,395	21,031	19,237
Equity	22,421	19,395	16,476	14,540	12,191
Investment in property, plant and equipment	508	500	414	1,190	1,349
Cash flows from operating activities	-650	2,472	-2,784	2,992	2,051
Cash flows from investing activities	-334	-504	-432	-116	-212
Total cash flows	-984	1,968	-3,216	2,876	1,839
Ratios					
Gross margin	29.83%	30.47%	25.69%	29.30%	23.40%
Operating margin	13.01%	12.39%	9.27%	11.32%	6.40%
Return on invested capital	12.44%	11.38%	8.56%	11.60%	6.60%
Return on equity	14.47%	16.27%	12.48%	17.60%	13.90%
Solvency ratio	77.44%	76.35%	73.30%	69.10%	63.40%
Average number of full-time employees	62	61	60	57	58

The financial ratios have been calculated as follows:

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

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

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

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

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

Management's review

Operating review

Principal activities

The Company's activities consist of breeding, production and sale of flower genetics.

Development in activities and financial position

The Company's income statement for the year 2021/22 shows a profit of EUR'000 2,719 as against EUR'000 2,919 in 2020/2021. Equity in the Company's balance sheet at 31 March 2022 stood at EUR'000 22,109 as against EUR'000 19,395 at 31 March 2021.

The main drivers behind the increase in results for 2021/2022 were:

- Despite the COVID-19 pandemic, the Company has enjoyed a significant increase in sales. Due to its timing at the end of the financial year, the Russian/Ukrainian war had very limited impact on sales.
- The increase was realised across entire assortment-segments, across all territories and across the Company's customer-base.
- The sales volume of Lisianthus end-products in the market has stabilised and sales prices returned to normal levels. After having supported the value chain the first quarter of the COVID-19 crisis with an exceptional price discount, the Company has seen a healthy development on the Lisianthus market.
- The margin for 2021/2022 was effected heavily by an additional EUR 1,250 thousand provision for write-off as the increase in gas prices might result in reduced Lisianthus sales leading to obsolete Lisianthus inventories and declining markets.
- Due to the above, the otherwise significant margin improvements end in line with the previous year.
- Due to the COVID-19 pandemic, operating costs continued to be heavily on the decline in 2021/22.
- A weakening euro exchange rate vis-a-vis the US dollar exchange rate had a negative impact on results.

Outlook

Growers and trade are increasingly nervous on the side-effects of the Russian/Ukrainian war, most importantly in relation to high energy prices and increased costs of production. Specifically Lisianthus revenue as well as profit are expected to be affected by this. Key grower-decisions which may lead to budget-impact will be taken around July/August 2022 when decisions for winter plantings and commitment to purchase expensive energy must be taken.

Despite the above, the Company is continuously working on adapting to the market and the increasing demand for novelties.

Financial instruments

The Company's goals and policies for management of financial risks

The Company primarily sells its products at prices denominated in EUR or USD. Costs for goods purchased are primarily denominated in USD and DKK. The Company monitors the currency and interest rate developments but does not engage in hedging transactions.

Management's review

Operating review

Intellectual capital

The Company is highly dependent on its employees' knowledge and experience in a relatively "narrow" business segment.

Professional challenges as well as good and motivating working conditions and assignments are continuously sought to be developed and maintained to retain its employees.

Environmental matters

The Company complies with existing environmental legislation, which, in some situations, is more restrictive than that of its foreign competitors.

Research and development activities

The Company undertakes regular flower genetics development. Research and development are recognised as an expense in the income statement prompted by the uncertainty surrounding future earnings.

Events after the balance sheet date

None to be mentioned.

Financial statements 1 April – 31 March

Income statement

EUR'000	Note	2021/22	2020/21
Revenue		25,826	22,813
Changes in inventories of finished goods and work in progress		-14,527	-12,824
Other operating income		2,252	2,049
Other external costs		-5,847	-5,086
Gross profit		7,704	6,952
Staff costs	2	-4,024	-3,851
Depreciation, amortisation and impairment losses		-319	-274
Profit before financial income and expenses		3,361	2,827
Financial income	3	231	363
Financial expenses	4	-250	-228
Profit before tax		3,342	2,962
Tax on profit for the year	5	-316	-43
Profit for the year	6	3,026	2,919

Financial statements 1 April – 31 March

Balance sheet

EUR'000	Note	31/3 2022	31/3 2021
ASSETS			
Fixed assets			
Intangible assets	7		
Software		13	12
Property, plant and equipment	8		
Land and buildings		1,122	1,187
Plant and machinery		454	374
		1,576	1,561
Investments	9		
Participating interests		5	5
Total fixed assets		1,594	1,578
Current assets			
Inventories			
Work in progress		704	533
Finished goods and goods for resale		7,076	6,892
		7,780	7,425
Receivables			
Trade receivables		3,915	4,574
Receivables from group entities		7,047	6,023
Other receivables		3,696	11
Deferred tax asset	10	290	400
Corporation tax		237	134
Prepayments	11	953	528
		16,138	11,670
Cash at bank and in hand		3,440	4,731
Total current assets		27,358	23,826
TOTAL ASSETS		28,952	25,404

Financial statements 1 April – 31 March

Balance sheet

EUR'000	Note	31/3 2022	31/3 2021
EQUITY AND LIABILITIES			
Equity			
Contributed capital		18,050	18,050
Retained earnings		2,871	1,345
Proposed dividends for the financial year		1,500	0
Total equity		22,421	19,395
Provisions			
Other provisions	12	22	22
Total provisions		22	22
Liabilities other than provisions			
Current liabilities other than provisions			
Trade payables		455	263
Payables to group entities		3,225	3,190
Other payables		2,829	2,534
		6,509	5,987
Total liabilities other than provisions		6,509	5,987
TOTAL EQUITY AND LIABILITIES		28,952	25,404

Financial statements 1 April – 31 March

Statement of changes in equity

EUR'000	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 April 2021	18,050	1,345	0	19,395
Transferred over the profit appropriation	0	1,526	1,500	3,026
Equity at 31 March 2022	18,050	2,871	1,500	22,421

Financial statements 1 April – 31 March

Cash flow statement

EUR'000	Note	2021/22	2020/21
Profit for the year		3,026	2,919
Other adjustments of non-cash operating items	15	362	182
Cash flows from operations before changes in working capital		3,388	3,101
Changes in working capital	16	-4,311	-652
Cash flows from ordinary activities		-923	2,449
Interest income		231	363
Interest expense		-250	-228
Corporation tax paid		-307	-112
Gains from property, plant and equipment		599	0
Cash flows from operating activities		-650	2,472
Acquisition of intangible assets		-7	-4
Acquisition of property, plant and equipment		-508	-500
Disposal of property, plant and equipment		181	0
Cash flows from investing activities		-334	-504
Cash flows for the year		-984	1,968
Cash and cash equivalents at the beginning of the year		4,731	2,763
Cash and cash equivalents at year-end		3,747	4,731

Financial statements 1 April – 31 March

Notes

1 Accounting policies

The annual report of Sakata Ornamentals Europe A/S for 2021/22 has been prepared in accordance with the provisions applying to reporting class C medium-sized 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.

The annual report of Sakata Ornamentals Europe A/S is included in the consolidated financial statements of European Sakata Holding SAS, Domaine de Sables, Rue du Moulin, 30620 Uchaud, France. The ultimate parent company in the group, for which consolidated financial statements is prepared, are Sakata Seed Corporation, 2-7-1 Nakamachidai, Tsuzuki-ku, Yokohama, Kanagawa, Japan 224-0041.

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.

Income statement

Revenue

Income from the sale of goods, comprising the sale of goods for resale and finished 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 ® 2020.

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.

Changes in inventories of finished goods and work in progress

Changes in inventories of finished goods and work in progress comprise costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to the inventory of goods for resale.

Other operating income

Other operating income comprises items secondary to the activities of the entity, including recharges to related parties and gains on the disposal of intangible assets and property, plant and equipment.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities.

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/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Intangible assets

Software

Software cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

Software

3 years

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

These intangible assets are written down to the recoverable amount if this is lower than the carrying amount.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

Property, plant and equipment

Land and buildings and plant and machinery are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

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

Production buildings and nurseries	10 years
Administration buildings	20 years
Plant and machinery	5-10 years

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

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Leases

All leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies, etc.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Financial statements 1 April – 31 March

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1 Accounting policies (continued)

Investments

Equity investments in participating interests are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value. The cost is reduced by dividends received exceeding accumulated earnings after the acquisition date.

Inventories

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

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

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables 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 or portfolio is used as discount rate.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Equity

Dividends

The expected dividends payment for the year is disclosed as a separate item under equity.

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Notes

1 Accounting policies (continued)

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 assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

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.

Provisions

Provisions comprise anticipated costs of warranties.

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.

Cash flow statement

The cash flow statement shows the Company's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and divestment of entities is shown separately in cash flows from investing activities. Cash flows relating to acquired entities are recognised in the cash flow statement from the date of acquisition, and cash flows relating to divested entities are recognised up to the date of divestment.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

Cash flows from operating activities

Cash flows from operating activities are calculated as the Company's share of profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in size or composition of the Company's share capital and costs in this respect as well as raising of loans, instalments on interest-bearing debt and distribution of dividends to owners.

Cash and cash equivalents

Cash and cash equivalents comprise cash, bank deposits and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

2 Staff costs

EUR'000	2021/22	2020/21
Staff costs		
Wages and salaries	4,206	4,045
Pensions	299	255
Other social security costs	276	170
	<u>4,781</u>	<u>4,470</u>
Allocated to work in progress, inventory	-757	-619
	<u>4,024</u>	<u>3,851</u>
Average number of full-time employees	<u>62</u>	<u>61</u>

As salary has only been paid to one member of Management, disclosure thereof is omitted, see section 98b (3)(II) of the Danish Financial Statements Act.

Financial statements 1 April – 31 March

Notes

EUR'000	2021/22	2020/21
3 Financial income		
Interest income from group entities	60	52
Other financial income	4	47
Exchange gains	167	264
	<u>231</u>	<u>363</u>
4 Financial expenses		
Other financial expenses	43	37
Exchange losses	207	191
	<u>250</u>	<u>228</u>
5 Tax on profit for the year		
Current tax for the year	232	143
Deferred tax for the year	528	-100
Adjustment of tax concerning previous years	-26	0
Adjustment of deferred tax concerning previous years	-418	0
	<u>316</u>	<u>43</u>
6 Proposed profit appropriation		
Proposed dividends for the year	1,500	0
Retained earnings	1,526	2,919
	<u>3,026</u>	<u>2,919</u>
7 Intangible assets		
EUR'000		Software
Cost at 1 April 2021		61
Additions for the year		8
Cost at 31 March 2022		<u>69</u>
Amortisation and impairment losses at 1 April 2021		-49
Amortisation for the year		-7
Amortisation and impairment losses at 31 March 2022		<u>-56</u>
Carrying amount at 31 March 2022		<u>13</u>

Financial statements 1 April – 31 March

Notes

8 Property, plant and equipment

EUR'000	Land and buildings	Plant and machinery	Total
Cost at 1 April 2021	7,033	1,787	8,820
Additions for the year	316	192	508
Disposals for the year	-181	0	-181
Cost at 31 March 2022	7,168	1,979	9,147
Depreciation and impairment losses at 1 April 2021	-5,846	-1,413	-7,259
Depreciation for the year	-200	-112	-312
Depreciation and impairment losses at 31 March 2022	-6,046	-1,525	-7,571
Carrying amount at 31 March 2022	1,122	454	1,576
EUR'000		<u>31/3 2022</u>	<u>31/3 2021</u>

9 Investments

Shares in Gartnerne Varmforsyning	<u>5</u>	<u>5</u>
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10 Deferred tax asset

Deferred tax asset 1 April	400	300
Adjusted deferred tax asset	-528	100
Adjustment of deferred tax concerning previous years	<u>418</u>	<u>0</u>
Deferred tax asset 31 March	<u>290</u>	<u>400</u>

Management has chosen to capitalise the full deferred tax asset based on forecast for the coming 3-5 years for the companies in the Danish joint taxation. The forecast is by nature subject to uncertainty.

11 Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

EUR'000	<u>31/3 2022</u>	<u>31/3 2021</u>
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12 Other provisions

Provisions for warranty claims	<u>22</u>	<u>22</u>
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13 Contractual obligations, contingencies, etc.

Operating lease obligations

The Company has entered into operating leases with a monthly lease payment of EUR 6 thousand, totalling DKK 41 thousand (2020/21: EUR 51 thousand).

Pending cases

The Company is a party to a pending case. It is Management's assessment that the case is unfounded.

14 Related party disclosures

Sakata Ornamentals Europe A/S' related parties comprise the following:

Control

European Sakata Holding SAS, Domaine de Sablas, Rue du Moulin, 30620 Uchaud France holds the majority of the contributed capital in the Company.

Sakata Ornamentals Europe A/S is included in the consolidated financial statements of European Sakata Holding SAS, which is the smallest group in which the Company is included as a subsidiary.

The Company's ultimate parent company is Sakata Seed Corporation, which is the largest group in which the Company is included as a subsidiary.

The consolidated financial statements of Sakata Seed Corporation are available upon request to the Company.

Related party transactions

EUR'000	2021/22	2020/21
Other group entities		
Sale of goods	1,139	1,354
Purchase of goods	-11,060	-216
Other operating income	1,695	142
Other operating costs	-4,821	4,270
Other non-operating results	-397	0
	<u>-13,444</u>	<u>5,550</u>

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EUR'000	2021/22	2020/21
Parent Company		
Sale of goods	72	410
Purchase of goods	-10,900	-8,627
Other operating income	1,584	1,673
Other operating costs	-72	-63
Other non-operating results	-397	0
	<u>-9,713</u>	<u>-6,607</u>

Payables and receivables to group entities are disclosed in the balance sheet, and recharges and interest expenses are disclosed in notes 3 and 7.

EUR'000	2021/22	2020/21
15 Other adjustments		
Other interest income	-231	-363
Other interest expenses	250	228
Amortisation/depreciation on intangible assets and property, plant and equipment	319	274
Tax on profit for the year	623	43
Gains from property, plant and equipment	-599	0
	<u>362</u>	<u>182</u>

16 Change in working capital

Changes in receivables	-4,482	1,397
Changes in inventories	-354	-138
Changes in other liabilities	525	-1,911
	<u>-4,311</u>	<u>-652</u>