

Sakata Ornamentals Europe A/S

Odensevej 82
DK-5290 Marslev

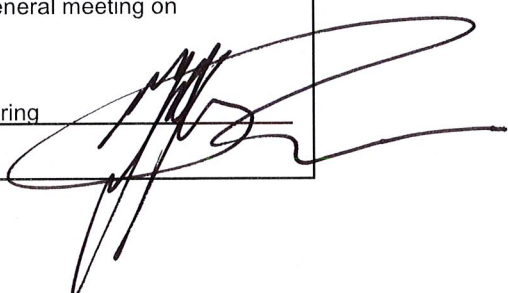
CVR no. 27 19 23 35

Annual report 2020/21

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

2 July 2021

Johannes J.W. van Popering
Chairman

A large, stylized handwritten signature in black ink, written over the printed name of the Chairman.

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CVR no. 27 19 23 35

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 2020 – 31 March 2021.

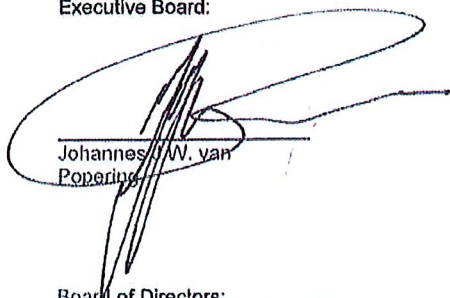
The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2021 and of the results of the Company's operations and cash flows for the financial year 1 April 2020 – 31 March 2021.

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.

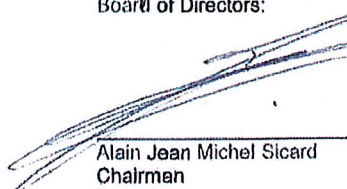
We recommend that the annual report be approved at the annual general meeting.

Marslev, 2 July 2021
Executive Board:

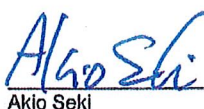


Johannes J.W. van
Popering

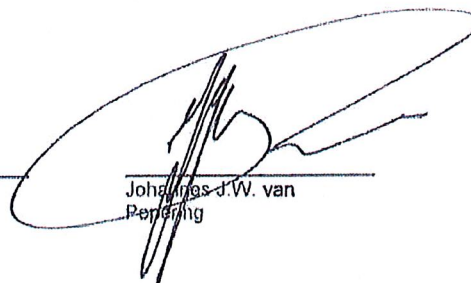
Board of Directors:



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 2020 – 31 March 2021 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 2021 and of the results of the Company's operations and cash flows for the financial year 1 April 2020 – 31 March 2021 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.

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, 2 July 2021

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

Telephone:	+45 63 90 64 90
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
Bredskifte Allé 13
DK-8210 Aarhus V
CVR no. 25 57 81 98

Management's review

Financial highlights

EUR'000	2020/21	2019/20	2018/19	2017/18	2016/17
Key figures					
Revenue	22,813	22,512	21,544	19,828	18,879
Gross profit	6,952	5,783	6,166	4,645	4,131
Profit before financial income and expenses	2,827	2,087	2,439	1,277	1,038
Profit/loss from financial income and expenses	135	-86	-237	307	-335
Profit/loss for the year	2,919	1,936	2,350	1,584	703
Total assets	25,404	24,395	21,031	19,237	17,111
Equity	19,395	16,476	14,540	12,191	10,607
Investment in property, plant and equipment	500	414	1,190	1,349	1,410
Cash flows from operating activities	2,472	-2,784	2,992	2,051	474
Cash flows from investing activities	-504	-432	-116	-212	-61
Cash flows from financing activities	0	0	0	0	-1,502
Total cash flows	1,968	-3,216	2,876	1,839	-1,089
Ratios					
Gross margin	30.47%	25.69%	29.30%	23.40%	22.00%
Operating margin	12.39%	9.27%	11.32%	6.40%	5.50%
Return on invested capital	11.38%	8.56%	11.60%	6.60%	6.10%
Return on equity	16.27%	12.48%	17.60%	13.90%	6.90%
Solvency ratio	76.35%	73.30%	69.10%	63.40%	62.00%
Average number of full-time employees	61	60	57	58	55

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 2020/21 shows a profit of EUR 2,919 thousand as against EUR 1,936 thousand in 2019/20. Equity in the Company's balance sheet at 31 March 2021 stood at EUR 19,395 thousand as against EUR 16,476 thousand at 31 March 2020.

The main drivers behind the increase in results for 2020/21 were:

- Despite the COVID-19 pandemic, the Company enjoyed a minor increase in sales, mainly driven by consumer spending on gardening and Internet flower gifts.
- The increase was realised on various crops over various territories and customers.
- The sales volume of Lisianthus increased, which were offset financially by an extraordinary COVID-19 discount on sales to support the value chain in surviving the first quarter of the COVID-19 crisis.
- The margin was in line with previous years despite the discount granted on Lisianthus.
- Significant decrease in operating costs due to the COVID-19 pandemic.
- Last year, write-down for bad debts was recognised, which could be partially released this financial year.
- The EUR exchange rate improved vis-à-vis the USD dollar, which had a positive impact on results.

Outlook

COVID-19 will remain a challenge to the Company even though no negative impact is expected on profitability next year. Revenue as well as profit are expected to be at the same level as last year.

In the mean time, 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 development but does not engage in hedging transactions.

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.

Management's review

Operating review

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	2020/21	2019/20
Revenue	2	22,813	22,512
Changes in inventories of finished goods and work in progress		-12,824	-13,108
Other operating income	3	2,049	2,305
Other external costs		<u>-5,086</u>	<u>-5,926</u>
Gross profit		6,952	5,783
Staff costs	4	-3,851	-3,417
Depreciation, amortisation and impairment losses	5	<u>-274</u>	<u>-279</u>
Profit before financial income and expenses		2,827	2,087
Financial income	6	363	129
Financial expenses	7	<u>-228</u>	<u>-215</u>
Profit before tax		2,962	2,001
Tax on profit for the year	8	<u>-43</u>	<u>-65</u>
Profit for the year	9	<u><u>2,919</u></u>	<u><u>1,936</u></u>

Financial statements 1 April – 31 March

Balance sheet

EUR'000	Note	31/3 2021	31/3 2020
ASSETS			
Fixed assets			
Intangible assets	10		
Software		12	14
Property, plant and equipment	11		
Land and buildings		1,187	1,182
Plant and machinery		374	147
		1,561	1,329
Investments	12		
Participating interests		5	5
Total fixed assets		1,578	1,348
Current assets			
Inventories			
Work in progress		533	752
Finished goods and goods for resale		6,892	8,070
		7,425	8,822
Receivables			
Trade receivables		4,574	4,435
Receivables from group entities		6,023	6,152
Other receivables		11	16
Deferred tax asset	13	400	300
Corporation tax		118	48
Prepayments		544	511
		11,670	11,462
Cash at bank and in hand		4,731	2,763
Total current assets		23,826	23,047
TOTAL ASSETS		25,404	24,395

Financial statements 1 April – 31 March

Balance sheet

EUR'000	Note	31/3 2021	31/3 2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital		18,050	18,050
Retained earnings		1,345	-1,574
Total equity		<u>19,395</u>	<u>16,476</u>
Provisions			
Other provisions	14	<u>22</u>	<u>22</u>
Total provisions		<u>22</u>	<u>22</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Other payables	15	<u>0</u>	<u>190</u>
Current liabilities other than provisions			
Trade payables		263	169
Payables to group entities		3,190	4,812
Other payables		<u>2,534</u>	<u>2,726</u>
		<u>5,987</u>	<u>7,707</u>
Total liabilities other than provisions		<u>5,987</u>	<u>7,897</u>
TOTAL EQUITY AND LIABILITIES		<u>25,404</u>	<u>24,395</u>
Contractual obligations, contingencies, etc.			
	16		
Related party disclosures			
	17		

Financial statements 1 April – 31 March

Statement of changes in equity

EUR'000	Contributed capital	Retained earnings	Total
Equity at 1 April 2020	18,050	-1,574	16,476
Transferred over the profit appropriation	0	2,919	2,919
Equity at 31 March 2021	18,050	1,345	19,395

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Cash flow statement

EUR'000	Note	2020/21	2019/20
Profit for the year		2,919	1,936
Other adjustments of non-cash operating items	18	182	457
Cash flows from operations before changes in working capital		3,101	2,393
Changes in working capital	19	-652	-4,952
Cash flows from ordinary activities		2,449	-2,559
Interest income		363	129
Interest expense		-228	-215
Corporation tax paid		-112	-139
Cash flows from operating activities		2,472	-2,784
Acquisition of intangible assets		-4	-18
Acquisition of property, plant and equipment		-500	-414
Cash flows from investing activities		-504	-432
Cash flows for the year		1,968	-3,216
Cash and cash equivalents at the beginning of the year		2,763	5,979
Cash and cash equivalents at year-end		4,731	2,763

Financial statements 1 April – 31 March

Notes

1 Accounting policies

The annual report of Sakata Ornamentals Europe A/S for 2020/21 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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 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

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1 Accounting policies (continued)

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment 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
Fixtures and fittings, tools and equipment	3-5 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

Notes

1 Accounting policies (continued)

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.

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

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

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.

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 comprises bank deposits.

Financial statements 1 April – 31 March

Notes

EUR'000		2020/21	2019/20
2	Revenue		
	Export	22,652	22,459
	Domestic	<u>161</u>	<u>53</u>
		<u>22,813</u>	<u>22,512</u>
3	Other operating income		
	Recharges to related parties	1,816	1,948
	Other parties	<u>233</u>	<u>357</u>
		<u>2,049</u>	<u>2,305</u>
4	Staff costs		
	Wages and salaries	4,045	3,490
	Pensions	255	240
	Other social security costs	<u>170</u>	<u>144</u>
		4,470	3,874
	Allocated to work in progress, inventory	<u>-619</u>	<u>-457</u>
		<u>3,851</u>	<u>3,417</u>
	Average number of full-time employees	<u>61</u>	<u>60</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.			
EUR'000		2020/21	2019/20
5	Depreciation, amortisation and impairment losses		
	Land and buildings	184	204
	Plant and machinery	84	71
	Software	<u>6</u>	<u>4</u>
		<u>274</u>	<u>279</u>
6	Financial income		
	Interest income from group entities	52	6
	Other financial income	47	36
	Exchange gains	<u>264</u>	<u>87</u>
		<u>363</u>	<u>129</u>

Financial statements 1 April – 31 March

Notes

EUR'000	2020/21	2019/20
7 Financial expenses		
Other financial expenses	37	32
Exchange losses	191	183
	<u>228</u>	<u>215</u>
8 Tax on profit for the year		
Current tax for the year	143	65
Deferred tax for the year	-100	0
	<u>43</u>	<u>65</u>
9 Proposed profit appropriation		
Retained earnings	<u>2,919</u>	<u>1,936</u>
10 Intangible assets		
EUR'000		Software
Cost at 1 April 2020		57
Additions for the year		4
Cost at 31 March 2021		<u>61</u>
Amortisation and impairment losses at 1 April 2020		-43
Amortisation for the year		-6
Amortisation and impairment losses at 31 March 2021		<u>-49</u>
Carrying amount at 31 March 2021		<u>12</u>
11 Property, plant and equipment		
EUR'000	Land and buildings	Plant and machinery
Cost at 1 April 2020	6,844	1,476
Additions for the year	189	311
Cost at 31 March 2021	<u>7,033</u>	<u>1,787</u>
Depreciation and impairment losses at 1 April 2020	-5,662	-1,329
Depreciation for the year	-184	-84
Depreciation and impairment losses at 31 March 2021	<u>-5,846</u>	<u>-1,413</u>
Carrying amount at 31 March 2021	<u>1,187</u>	<u>374</u>
		<u>1,561</u>

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EUR'000

	31/3 2021	31/3 2020
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12 Investments

Shares in Gartnernes Varmforsyning	5	5
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13 Deferred tax asset

Deferred tax asset 1 April	300	300
Adjusted deferred tax asset	100	0
Deferred tax asset 31 March	400	300

A deferred tax asset of EUR 418 thousand had not been recognised at 31 March 2021 (2020: EUR 1,016 thousand). 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.

	31/3 2021	31/3 2020
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14 Other provisions

Provisions for warranty claims	22	22
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15 Non-current liabilities other than provisions

Liabilities other than provisions can be specified as follows:

Other payables, including taxes payable:

1-5 years	0	190
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16 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 51 thousand (2019/20: EUR 58 thousand).

Pending cases

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

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17 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 share 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	2020/21	2019/20
Other group entities		
Sale of goods	1,354	1,337
Purchase of goods	-216	-708
Other operating income	142	120
Other operational expenses	4,270	-4,200
	<u>5,550</u>	<u>-3,451</u>
Parent Company		
Sale of goods	410	1
Purchase of goods	-8,627	-11,424
Other operating income	1,673	1,828
Other operational expenses	-63	-50
	<u>-6,607</u>	<u>-9,645</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.

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EUR'000	2020/21	2019/20
18 Other adjustments		
Other interest income	-363	-129
Other interest expenses	228	215
Amortisation/depreciation on intangible assets and property, plant and equipment	274	279
Tax on profit for the year	43	65
Other adjustments	0	27
	<u>182</u>	<u>457</u>
19 Change in working capital		
Changes in receivables	1,397	-4,683
Changes in inventories	-138	-1,696
Changes in other liabilities	-1,911	1,427
	<u>-652</u>	<u>-4,952</u>