

**LIMAGRAIN A/S**

**Erhvervsbyvej 13**

**8700 Horsens**

**Annual report for the period 1  
July 2018 - 30 June 2019**

The annual report was presented and adopted at the  
Company's annual general meeting  
on November 29<sup>th</sup> 2019  
ALAIN BARBIER  
chairman

CVR No. 39 64 02 28

## **Contents**

<b>Statement by the Board of Directors and the Executive Board</b>	<b>2</b>
<b>Independent auditors' report</b>	<b>3</b>
<b>Management's review</b>	<b>4</b>
<b>Company details</b>	<b>6</b>
<b>Financial highlights</b>	<b>7</b>
<b>Operating review</b>	<b>8</b>
<b>Financial statements 1 July – 30 June</b>	<b>9</b>
<b>Accounting policies</b>	<b>9</b>
<b>Income statement</b>	<b>13</b>
<b>Statement of changes in equity</b>	<b>16</b>
<b>Financial statements 1 July – 30 June</b>	<b>17</b>
<b>Notes</b>	<b>18</b>

## 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 LIMAGRAIN A/S for the financial year 1 July 2018 – 30 June 2019.

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 30 June 2019 and of the results of the Company's operations and cash flows for the financial year 1 July 2018 – 30 June 2019.

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

Horsens, 29 November 2019  
Executive Board



Ole Schmidt

Board of Directors:



Alain, Albert Joseph  
Barbier  
Chairman



André Daniel Régis



Ole Schmidt

## **Independent auditors' report**

**To the shareholders of Limagrain A/S**

### **Opinion**

We have audited the financial statements of Limagrain A/S for the financial year 1 July 2018 – 30 June 2019 comprising income statement, balance sheet, statement of changes in equity, cash flow statement, accounting policies and notes. 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 30 June 2019 and of the results of the Company's operations and cash flows for the financial year 1 July 2018 – 30 June 2019 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 financial statement 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.

#### **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 Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 29 November 2019

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98



Michael E. K. Rasmussen  
State Authorised  
Public Accountant  
mne41364

## **Management's review**

### **Company details**

LIMAGRAIN A/S  
Erhvervsbyvej 13  
DK-8700 Horsens  
CVR No.: 39 64 02 28

### **Board of Directors**

Alain, Albert Joseph Barbier, Chairman  
André Daniel Régis  
Ole Schmidt

### **Executive Board**

Ole Schmidt

### **Auditors**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Bredskifte Allé 13  
8210 Aarhus V  
Denmark

### **Annual general meeting**

The annual general meeting is to be held on 29. November 2019.

## Management's review

### Financial highlights

DKK'000	2018/19	2017/18	2016/17	2015/16	2014/15
<b>Key figures</b>					
Gross Profit	7,970	7,199	4,308	9,563	10,223
Profit before financial income and expenses	3,411	3,386	524	5,901	6,401
Profit/loss from financial income and expenses	-151	134	212	-106	-100
<b>Profit for the year</b>	<b>2,531</b>	<b>2,746</b>	<b>540</b>	<b>4,672</b>	<b>4,805</b>
Balance sheet total	45,577	50,396	37,076	53,631	46,345
Equity	16,132	16,347	14,141	18,273	18,406
<b>Total cash flows</b>	<b>-35</b>	<b>414</b>	<b>-361</b>	<b>-137</b>	<b>-1,449</b>
Return on investment	7.8	7.0	1.5	11.4	14.8
Solvency ratio	35.4	32.4	38.0	34.1	39.7
Return on equity	15.6	18.0	3.3	25.5	25.5
<b>Average number of full-time employees</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>

### Financial ratio

Financial ratios are calculated in accordance with the Danish Society of Financial Analytics' guidelines on the calculation of financial ratios "Recommendations and Ratios".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Return on investment

$$\frac{\text{Profit/loss before financial income and expenses} \times 100}{\text{Average operating assets}}$$

Operating assets

Total assets less cash at bank and in hand and other interest-bearing assets (including shares)

Solvency ratio

$$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$$

Return on equity

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



## **Management's review**

### **Operating review**

#### **Principal activities of the Company**

LIMAGRAIN sells seeds for agricultural cultivation.

#### **Development in activities and financial position**

The Company's income statement for the period 1 July 2018 – 30 June 2019 shows a profit of DKK 2,531 thousand as against DKK 2,746 thousand last year and equity amounted to DKK 16,132 thousand on the balance sheet at 30 June 2019 which is below level as last year, due to increased cost of goods sold. Management considers the profit for the year satisfactory.

#### **Outlook**

The Company expects to maintain its market position in the seed industry and, accordingly, expects to report a profit for 2019/20 above 2018/19.

#### **Currency risks**

The Company mainly trades in DKK and EUR and is therefore only modestly exposed to currency risks.

#### **Interest risks**

The Company has significant outstanding balances with group enterprises. However, the results are, only to a limited extent, affected by fluctuations in the short-term interest rate.

#### **Environment**

The Company has no significant impact on the external environment.

#### **Research and development activities**

The Company did not incur any research or development costs during the year under review.

## **Financial statements 1 July – 30 June**

### **Accounting policies**

The annual report of LIMAGRAIN A/S for the period 1 July 2018 – 30 June 2019 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.

### **Foreign currency translation**

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date.

Receivables and 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 for resale is recognised in revenue provided that delivery and transfer of risk to the buyer have taken place and that the income may be reliably measured and is expected to be received. Revenue is measured ex VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

#### **Costs of sales**

Costs of sales comprise materials and consumables for resale and costs incurred in generating revenue.

#### **Other operating income and costs**

Other operating income and costs comprise items secondary to the principal activities of the Company.

#### **Other external costs**

Other external costs comprise cost of sales, advertisements, administration, premises and bad debts, etc.

### **Gross profit/loss**

According to section 32 of the Danish Financial Statements Act, revenue, cost of sales, other operating income and costs and other external costs are aggregated in one item called "gross profit/loss".

### **Staff costs**

Staff costs comprise salaries and wages, including holiday allowance, pension and other social security costs, etc., for the Company's employees. Refunds received from public authorities are deducted from staff costs.

### **Financial income and expenses**

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

### **Tax on profit/loss from ordinary activities**

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**

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

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. The cost of self-constructed assets comprise direct and indirect costs of materials, components, sub suppliers and wages and salaries.

Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognized 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 as other operating income or other operating costs, respectively in the income statement.

### **Impairment of non-current assets**

The carrying amount property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation.

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.

### **Receivables**

Receivables are measured at amortised cost usually corresponding to nominal value. Write-down is made for bad debt losses according to an individual assessment of the receivable.

### **Prepayments**

Prepayments comprise costs incurred concerning subsequent financial years.

### **Equity – Dividends**

#### *Dividends*

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year (declaration date) is disclosed as a separate item under equity.

### **Corporation tax and deferred tax**

Current tax payable and receivable is recognised on 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 that arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities.

### **Liabilities other than provision**

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost.

Financial liabilities also include the capitalised residual obligation on finance leases.

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.

#### **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 enterprises and activities, intangible assets, property, plant and equipment and investments.

#### **Cash flows from financing activities**

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash and short-term marketable securities which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

## Financial statements 1 July – 30 June

### Income statement

	Note	2018/19	2017/18
		DKK'000	DKK'000
<b>Gross profit</b>			
Staff costs		7,970	7,199
Depreciation and impairment loss regarding property, plant and equipment	1	-4,464	-3,790
		-95	-23
<b>Profit before financial income and expenses</b>		3,411	3,386
Financial income	2	62	202
Financial expenses	3	-213	-68
<b>Profit before tax</b>		3,259	3,520
Tax on profit for the year	4	-729	-774
<b>Profit for the year</b>	5	2,531	2,746

## Financial statements 1 July – 30 June

### Balance sheet

	Note	2018/19	2017/18
		DKK'000	DKK'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Property, plant and equipment</b>	6		
Fixtures and fittings, tools and equipment		220	113
<b>Total non-current assets</b>		<u>220</u>	<u>113</u>
<b>Current assets</b>			
<b>Receivables</b>			
Trade receivables		710	791
Amounts owed by group enterprises		38,491	42,869
Other receivables		4,317	4,669
Deferred tax	7	56	137
Prepayments	8	72	72
		<u>43,647</u>	<u>48,538</u>
<b>Cash at bank and in hand</b>		1,710	1,745
<b>Total current assets</b>		<u>45,357</u>	<u>50,283</u>
<b>TOTAL ASSETS</b>		<u>45,577</u>	<u>50,396</u>

## Financial statements 1 July – 30 June

### Balance sheet

	Note	2018/19 DKK'000	2017/18 DKK'000
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital			
Retained earnings	9	10,000	10,000
Proposed dividends for the financial year		3,601	3,601
		2,531	2,746
<b>Total equity</b>		<u>16,132</u>	<u>16,347</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables		21,273	19,192
Amounts owed to group enterprises		4,688	11,444
Corporation tax		504	647
Other payables		2,980	2,766
<b>Total liabilities</b>		<u>29,445</u>	<u>34,049</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>45,577</u>	<u>50,396</u>
<b>Contingent liabilities, collateral and other financial obligations</b>			
<b>Contingent assets</b>	10 11		
<b>Related parties</b>	12		



## Financial statements 1 July – 30 June

### Statement of changes in equity

DKK'000

	Share capital	Retained earnings	Proposed dividends	Total
Equity at 1 July 2018	10,000	3,601	2,746	16,347
Distributed dividends	0	0	-2,746	-2,746
Transferred, see the profit appropriation	0	0	2,531	2,531
Equity at 30 June 2019	10,000	3,601	2,531	16,132

## Financial statements 1 July – 30 June

### Cash flow statement

	2018/19	2017/18
	DKK'000	DKK'000
Profit/loss for the year	2.531	2.746
Depreciation, amortisation and impairment losses	95	23
Other adjustments of non-cash operating items	13 855	560
Cash generated from operations before changes in working capital	3.481	3.329
Changes in working capital	14 354	-2.085
Cash generated from operations	3.835	1.244
Interest income	62	202
Interest expense	-213	-68
Corporation tax paid	-728	-380
<b>Cash flows from operating activities</b>	<b>2.956</b>	<b>998</b>
Acquisition of property, plant and equipment	-270	-124
Disposal of property, plant and equipment	25	80
<b>Cash flows from investing activities</b>	<b>-245</b>	<b>-44</b>
Shareholders:		
Distributed dividends	-2.746	-540
<b>Cash flows from financing activities</b>	<b>-2.746</b>	<b>-540</b>
<b>Cash flows for the year</b>	<b>-35</b>	<b>414</b>
Cash and cash equivalents at the beginning of the year	1.745	1.331
<b>Cash and cash equivalents at year end</b>	<b>1.710</b>	<b>1.745</b>

## Financial statements 1 July – 30 June

### Notes

	2018/19	2017/18
	DKK'000	DKK'000
<b>1 Staff costs</b>		
Wages and salaries	4,110	3,477
Pensions	318	285
Other social security costs	36	28
	<u>4,464</u>	<u>3,790</u>
Average number of full-time employees	<u>6</u>	<u>5</u>
<p>Remuneration of the Company's Management and Board of Directors is not disclosed pursuant to section 98b(3)(ii) of the Danish Financial Statements Act</p>		
<b>2 Financial income</b>		
Interest income from group enterprises	31	22
Foreign exchange gains	31	180
	<u>62</u>	<u>202</u>
<b>3 Financial expenses</b>		
Interest expense to group enterprises	76	38
Interest expense to other externals	26	30
Foreign exchange losses	111	0
	<u>213</u>	<u>68</u>
<b>4 Tax on profit for the year</b>		
Current tax for the year	648	883
Adjustment for the year of deferred tax	81	-99
Adjustment tax previous years	0	-10
	<u>729</u>	<u>774</u>
<b>5 Profit apportion</b>		
Proposed dividends for the financial year	2,531	2,746
Retained earnings	0	0
	<u>2,531</u>	<u>2,746</u>

## Financial statements 1 July – 30 June

### Notes

	2018/19	2017/18
	DKK'000	DKK'000
<b>6 Property, plant and equipment</b>		
		<b>Fixtures and fittings, tools and equipment</b>
Cost at 1 July 2018		173
Additions		270
Disposals		-86
Cost at 30 June 2019		357
Depreciation and impairment losses at 1 July 2018		60
Depreciation		95
Depreciation brought back disposals		-20
Depreciation and impairment losses at 30 June 2019		136
Carrying amount at 30 June 2019		220
<b>7 Deferred Tax</b>		
Deferred tax at 1. July	-137	-38
Deferred tax adjustment for the year	81	-99
	-56	-137
<b>8 Prepayments</b>		
Deposits	72	72
	72	72
<b>9 Equity</b>		
The share capital comprises 16,650 shares. No shares carry special rights. The share capital has not been changed during the past five years.		
<b>10 Contingent liabilities, collateral and other financial obligations</b>		
LIMAGRAIN had no contingent liabilities or collateral at 30 June 2019.		
<b>Other financial obligations</b>		
Lease obligations	343	220
Rent	81	81
	424	301

## Financial statements 1 July – 30 June

### Notes

#### 11 Contingent assets

The Company has a tax loss carry forward of DKK 1,280,315 from 2002 arising from the disposal of property.

#### 12 Related parties

LIMAGRAIN A/S' related parties comprise the following:

##### Control

LIMAGRAIN Europe, Rue Henri Mondor, Saint Beauzire, 63360 Gerzat, France, principal shareholder.

LIMAGRAIN Europe holds the majority of the share capital in the Company

LIMAGRAIN A/S is part of the consolidated financial statements of Limagrain Europa SA, Rue Henri Mondor, Saint Beauzire, 63360 Gerzat, France, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of Limagrain Europe SAS can be obtained by contacting the Company or at the following website: [www.limagraineurope.com](http://www.limagraineurope.com).

LIMAGRAIN A/S is part of the consolidated financial statements of Vilmorin & Cie, CS 20001, Saint Beauzire, 63360 Gerzat, France, which is the largest group in which the Company is included as a subsidiary.

The consolidated financial statements of Vilmorin & Cie can be obtained by contacting the Company or at the following website: [www.vilmorincie.com](http://www.vilmorincie.com).

##### Related party transactions

The Company buys and sells a wide range of products and services through its parent company. All transactions are carried out on an arm's length basis.

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(7) of the Danish Financial Statements Act.

## Financial statements 1 July – 30 June

### Notes

	<u>2018/19</u>	<u>2017/18</u>
	DKK'000	DKK'000
<b>Related transactions</b>		
Sales of Services	835	706
Cost of goods sold	-116,267	-88,009
Cost of services	-30	-82
Royalties	-319	-17,016
Interests	-45	-16
Receivables	14	4,689
Payables	-4,688	-11,444
Intercompany account	38,477	40,344
Dividends	-2,746	-540
	<u>-84,769</u>	<u>-71,368</u>
<b>13 Other adjustments</b>		
Other financial income	-62	-202
Financial expenses	213	68
Tax on profit/loss for the year	729	774
Gains on the disposal of fixed assets	-25	-80
	<u>855</u>	<u>560</u>
<b>14 Changes in working capital</b>		
Change in inventories	4,815	-12,553
Change in receivables	-4,675	9,850
Change in trade and other payables	214	618
	<u>354</u>	<u>-2,085</u>