

LIMAGRAIN A/S

Erhvervsbyvej 13

8700 Horsens

Annual report for the financial
year 1 July 2020 - 30 June
2021

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

on _____ 20 ____

chairman

CVR No. 39 64 02 28

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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 LIMAGRAIN A/S for the financial year 1 July 2020 – 30 June 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 30 June 2021 and of the results of the Company's operations and cash flows for the financial year 1 July 2020 – 30 June 2021.

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.

Horsens, 29 November 2021

Executive Board:

Ole Schmidt

Board of Directors:

Frédéric Arboucalot
Chairman

André Daniel Régis

Ole Schmidt

Independent auditor's 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 2020– 30 June 2021 comprising accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement 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 2021 and of the results of the Company's operations and cash flows for the financial year 1 July 2020 – 30 June 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 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 Statements Act. We did not identify any material misstatement of the Management's review.

Aarhus, 29 November 2021

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

Frédéric Arboucalot, Chairman
André Daniel Régis
Ole Schmidt

Executive Board

Ole Schmidt

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
DK-8210 Aarhus V
CVR No.: 25 57 81 98

Annual general meeting

The annual general meeting is to be held on 20 November 2021.

Management's review

Financial highlights

DKK'000	2020/21	2019/20	2018/19	2017/18	2016/17
Key figures					
Gross profit	10,581	11,256	7,970	7,199	4,308
Profit before financial income and expenses	5,143	6,369	3,411	3,386	524
Profit/loss from financial income and expenses	136	-191	-151	134	212
Profit for the year	4,103	4,793	2,531	2,746	540
Balance sheet total	59,460	46,312	45,577	50,396	37,076
Equity	17,705	18,394	16,132	16,347	14,141
Total cash flows	-2,965	2,595	-35	414	-361
Return on investment	8.9	15.2	7.8	7.0	1.5
Solvency ratio	29.8	39.7	35.4	32.4	38.0
Return on equity	22.7	27.8	15.6	18.0	3.3
Average number of full-time employees	6	6	6	5	5

Financial 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 A/S sells seed for agricultural cultivation.

Development in activities and financial position

The Company's income statement for the period 1 July 2020 – 30 June 2021 shows a profit of DKK 4,103 thousand as against DKK 4,793 thousand last year, and equity amounts to DKK 17,705 thousand on the balance sheet at 30 June 2021, which is lower than last year. Management considers the profit for the year satisfactory.

Outlook

The Company expects to maintain its market position in the seed industry, however the result is slightly below expectations set last year, due to changes in the market the company operates in. The impact of Covid-19 is expected to be low.

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, results are, only to a limited extent, affected by fluctuations in short-term interest rate.

Environment

The Company has no significant impact on its 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 financial year 1 July 2020 – 30 June 2021 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.

Cost of sales

Cost of sales comprises 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

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

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 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

Fixtures and fittings, tools 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 comprises 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	33 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 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 as other operating income or other operating costs, respectively in the income statement.

Impairment of non-current assets

The carrying amount of fixtures and fittings, tools 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	2020/21	2019/20
		DKK'000	DKK'000
Gross profit		10,581	11,256
Staff costs	1	-5,278	-4,783
Depreciation on property, plant and equipment	2	-160	-104
Profit before financial income and expenses		5,143	6,368
Financial income	3	444	27
Financial expenses	4	-308	-218
Profit before tax		5,279	6,177
Tax on profit for the year	5	-1,176	-1,385
Profit for the year	6	4,103	4,792

Financial statements 1 July – 30 June

Balance sheet

	Note	<u>2020/21</u>	<u>2019/20</u>
		DKK'000	DKK'000
ASSETS			
Non-current assets			
Fixtures and fittings, tools and equipment	2	<u>532</u>	<u>116</u>
Total non-current assets		<u>532</u>	<u>116</u>
Current assets			
Receivables			
Trade receivables		892	3
Amounts owed by group enterprises		54,708	37,623
Other receivables		1,925	4,195
Deferred tax	7	11	18
Prepayments		<u>52</u>	<u>52</u>
		<u>57,588</u>	<u>41,891</u>
Cash at bank and in hand		<u>1,340</u>	<u>4,305</u>
Total current assets		<u>58,928</u>	<u>46,196</u>
TOTAL ASSETS		<u>59,460</u>	<u>46,312</u>

Financial statements 1 July – 30 June

Balance sheet

	Note	2020/21	2019/20
		DKK'000	DKK'000
EQUITY AND LIABILITIES			
Equity			
Share capital	8	10,000	10,000
Retained earnings		3,601	3,601
Proposed dividends for the financial year	6	4,103	4,793
Total equity		<u>17,704</u>	<u>18,394</u>
Liabilities			
Current liabilities			
Trade payables		28,349	23,194
Amounts owed to group enterprises		8,234	0
Corporation tax		1,040	1,163
Other payables		4,133	3,561
Total liabilities		<u>41,756</u>	<u>27,919</u>
TOTAL EQUITY AND LIABILITIES		<u>59,460</u>	<u>46,312</u>
Contingent liabilities, collateral and other financial obligations	9		
Contingent assets	10		
Related parties	11		

Financial statements 1 July – 30 June

Statement of changes in equity

DKK'000

	Share capital	Retained earnings	Proposed dividends	Total
Equity at 1 July 2020	10,000	3,601	4,793	18,394
Distributed dividends	0	0	-4,793	-4,793
Transferred, see the profit appropriation	0	0	4,103	4,103
Equity at 30 June 2021	<u>10,000</u>	<u>3,601</u>	<u>4,103</u>	<u>17,704</u>

Financial statements 1 July – 30 June

Cash flow statement

	<u>2020/21</u>	<u>2019/20</u>
	DKK'000	DKK'000
Profit for the year	4,103	4,793
Depreciation	160	104
Tax on profit for the year	1,176	1,385
Changes in receivables	-15,697	1,756
Changes in trade payables	13,389	-2,767
Changes in other payables	571	581
Cash generated from operations (ordinary activities)	3,702	5,852
Corporation tax paid	-1,188	-726
Cash flows from operating activities	<u>2,514</u>	<u>5,126</u>
Acquisition of equipment	-686	0
Cash flows from investing activities	<u>-686</u>	<u>0</u>
Distributed dividends	-4,793	-2,531
Cash flows from financing activities	<u>-4,793</u>	<u>-2,531</u>
Cash flows for the year	-2,965	2,595
Opening cash and cash equivalents	4,305	1,710
Closing cash and cash equivalents	<u>1,340</u>	<u>4,305</u>

Financial statements 1 July – 30 June

Notes

	<u>2020/21</u>	<u>2019/20</u>
	DKK'000	DKK'000
1 Staff costs		
Wages and salaries	4,879	4,420
Pensions	373	342
Other social security costs	35	35
Reimbursement of payroll costs received	-9	-14
	<u>5,278</u>	<u>4,783</u>
Average number of full-time employees	<u>6</u>	<u>6</u>

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.

	<u>Fixtures and fittings, tools and equipment</u>
	DKK'000
Cost at 1 July 2020	357
Acquisition of equipment	686
Equipment sold	-110
Cost at 30 June 2021	<u>932</u>
Depreciation and impairment losses at 1 July 2020	240
Depreciation	160
Depreciation and impairment losses at 30 June 2021	<u>400</u>
Carrying amount at 30 June 2021	<u><u>532</u></u>

	<u>2020/21</u>	<u>2019/20</u>
	DKK'000	DKK'000
3 Financial income		
Interest income from group enterprises	22	27
Foreign exchange gains	422	0
	<u>444</u>	<u>27</u>

Financial statements 1 July – 30 June

Notes

	<u>2020/21</u>	<u>2019/20</u>
	DKK'000	DKK'000
4 Financial expenses		
Interest expense to group enterprises	70	53
Interest expense to other external parties	71	54
Foreign exchange losses	167	111
	<u>308</u>	<u>218</u>
5 Tax on profit for the year		
Current tax for the year	1,169	1,347
Adjustment for the year of deferred tax	7	38
	<u>1,176</u>	<u>1,385</u>
6 Profit appropriation		
Proposed dividends for the financial year	4,103	4,793
Retained earnings	0	0
	<u>4,103</u>	<u>4,792</u>
7 Deferred tax		
Deferred tax at 1 July	-18	-56
Deferred tax adjustment for the year	7	38
	<u>-11</u>	<u>-18</u>
8 Equity		
The share capital comprises 16,650 shares. No shares carry special rights. The share capital has not been changed during the past five years.		
9 Contingent liabilities, collateral and other financial obligations		
LIMAGRAIN A/S had no contingent liabilities or collateral at 30 June 2021.		
Other financial obligations		
DKK'000	<u>2020/21</u>	<u>2019/20</u>
Lease obligations	59	219
Rent	88	83
	<u>147</u>	<u>302</u>

Financial statements 1 July – 30 June

Notes

10 Contingent assets

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

11 Related parties

LIMAGRAIN A/S' related parties comprise the following:

Control

LIMAGRAIN Europe, Rue Henri Mondor, Saint Beuzire, 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 Europe SAS, Rue Henri Mondor, Saint Beuzire, 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.

LIMAGRAIN A/S is part of the consolidated financial statements of Vilmorin & Cie, CS 20001, Saint Beuzire, 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.

Related party transactions

	2020/21
	DKK'000
Income, related to Limagrain Europe	924
Income, related to other Group enterprises	64
Purchase, related to Limagrain Europe	131,397
Purchase, related to other Group enterprises	115

Financial income and expenses are disclosed in notes 3 and 4.

Amounts owed by group enterprises are disclosed in the balance sheet.

Amounts owed to group enterprises are disclosed in the balance sheet.