
Sejet Planteforædling I/S

Nørremarksvej 67, DK-8700 Horsens

Internal Annual Report 2020

CVR No 14 79 72 46



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the internal Annual Report of Sejet Planteformødling I/S for the financial year 1 January - 31 December 2020.

The internal Annual Report is recognized and measured in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

In our opinion the internal Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and of the results of the Company operations for 2020.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the internal Annual Report be adopted at the Annual General Meeting.

Sejet, 30 June 2021

Executive Board

Birger Ellermann Eriksen
CEO

Board of Directors

Bent Nissen
Chairman

Lars Peder Hansen

Henrik Brinch Pedersen

Thomas Ahrendt

Jesper Pagh

Niels Olesen

Independent Auditor's Report

To the management of Sejet Planteforædling I/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with International Financial Reporting Standards of recognition and measurement as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Financial Statements of Sejet Planteforædling I/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards of recognition and measurement as adopted

Independent Auditor's Report

by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as 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 about 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 applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 taken 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 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

Independent Auditor's Report

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.

Hellerup, 30 June 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Tue Stensgård Sørensen

statsautoriseret revisor

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Company Information

The Company

Sejet Planteforædling I/S
Nørremarksvej 67
DK-8700 Horsens

CVR No: 14 79 72 46

Financial period: 1 January - 31 December

Municipality of reg. office: Horsens

Board of Directors

Bent Nissen, Chairman
Lars Peder Hansen
Henrik Brinch Pedersen
Thomas Ahrendt
Jesper Pagh
Niels Olesen

Executive Board

Birger Ellermann Eriksen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Key activities

In 2020, the company's activities, in accordance with the purpose clause, included plant breeding and agency activities as well as consultancy services.

Development in the year

The income statement of the Company for 2020 shows a profit of mDKK 19.2, and at 31 December 2020 the balance sheet of the Company shows equity of mDKK 160.

The high level of activity within the company's breeding and variety testing has been maintained. The result for the year was a profit of DKK 19.2 million, which is satisfactory and at the level of the average result for a ten-year period. For Sejet's own varieties, 60% of the income is collected in Denmark, while 40% comes from abroad.

Overall, across countries, the Sejet varieties that contributed the most to earnings in 2020 were the following varieties:

- Spring barley: Flair (DK, SE), Gangway (IRL, NZ), Prospect (DE, IRL, DK)
- Winter barley: Neptune (DK), Padura (DE, CZ), Concordia (PL)
- Wheat: Kvium (DK), Benchmark (DE, NL, DK), Heerup (DK)
- Triticale: Neogen (DK)

For varieties in representation, the following varieties contributed the most: Spring barley: RGT Planet, KWS Irina, and Laureate. Wheat: KWS Extase, and LG Skyscraper, Oats: Delphin and Poseidon.

Sejet continues to invest heavily in both the established programs and in newly started breeding programs. In addition to Faba Beans, the newer programs include both spring wheat and six-row winter barley. In the 2021 season, new varieties will be in registration trials for Faba Beans as well as spring wheat and six-row winter barley. The Triticale program has now been reorganized so that the main focus in the future will be the German and French markets, while the Danish market is to be regarded as a spin-off.

In relation to the buildings and land, a new barn of 1000 m² was completed in 2020 and construction began on a new reception and intermediate building that connects the offices with the laboratory and newly upgraded meeting rooms in the farmhouse. Own and leased land in 2020 amounted to a total of 460 ha. and the number of man-years for employees was in total 37.

Sejet is still very active in collaboration with the research sector both in Denmark and abroad and is involved in numerous research projects. In 2020, funding was obtained for a new project within Faba Beans with funding from GUDP and the new root project, RadiBooster, was launched. Furthermore, Sejet, together with DLG, in 2020 joined a newly established network group regarding the use of AI (artificial intelligence) for management of field crops.

Management's Review

In relation to branch associations, Sejet is a very active player and hold positions in the board of the TystofteFoundation, Variety Denmark, Crop Innovation Denmark, Danish Preferred and several committees within Euroseeds.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2020 DKK	2019 DKK
Revenue		53.191.824	51.975.955
Other operating income		7.285.870	8.964.237
Other external expenses		-15.561.855	-15.493.264
Gross profit/loss		44.915.839	45.446.928
Staff expenses	1	-11.642.979	-11.518.792
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-14.282.156	-13.843.405
Profit/loss before financial income and expenses		18.990.704	20.084.731
Income from investments in subsidiaries		-162.339	-87.412
Financial income	3	431.322	400.353
Financial expenses		-37.288	-27.255
Profit/loss before tax		19.222.399	20.370.417
Tax on profit/loss for the year		0	0
Net profit/loss for the year		19.222.399	20.370.417

Distribution of profit

Proposed distribution of profit

Extraordinary dividend paid	65.000.000	0
Reserve for net revaluation under the equity method	-162.339	-87.412
Retained earnings	-45.615.262	20.457.829
	19.222.399	20.370.417

Balance Sheet 31 December

Assets

	Note	2020 DKK	2019 DKK
Completed development projects		57.014.726	56.498.883
Intangible assets	4	57.014.726	56.498.883
Land and buildings		53.747.338	51.355.898
Other fixtures and fittings, tools and equipment		11.425.258	11.019.885
Property, plant and equipment in progress		5.103.773	2.131.869
Property, plant and equipment	5	70.276.369	64.507.652
Investments in subsidiaries	6	3.268.542	3.441.391
Receivables from group enterprises	7	292.884	266.909
Fixed asset investments		3.561.426	3.708.300
Fixed assets		130.852.521	124.714.835
Finished goods and goods for resale		2.072.848	2.412.884
Inventories		2.072.848	2.412.884
Trade receivables		5.146.257	6.156.591
Receivables from group enterprises		34.317.722	80.319.485
Receivables		39.463.979	86.476.076
Cash at bank and in hand		507.775	2.472.508
Currents assets		42.044.602	91.361.468
Assets		172.897.123	216.076.303

Balance Sheet 31 December

Liabilities and equity

	Note	2020 DKK	2019 DKK
Share capital		80.000.000	80.000.000
Reserve for net revaluation under the equity method		2.968.542	3.141.391
Reserve for development costs		17.014.725	16.498.883
Retained earnings		60.448.603	106.579.707
Equity		160.431.870	206.219.981
Trade payables		1.986.024	1.984.468
Payables to group enterprises		5.000	0
Other payables	8	10.474.229	7.871.854
Short-term debt		12.465.253	9.856.322
Debt		12.465.253	9.856.322
Liabilities and equity		172.897.123	216.076.303
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Statement of Changes in Equity

	Share capital	Reserve for net revaluation under the equity method	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	80.000.000	3.141.391	16.498.883	106.579.707	206.219.981
Exchange adjustments	0	-10.510	0	0	-10.510
Extraordinary dividend paid	0	0	0	-65.000.000	-65.000.000
Development costs for the year	0	0	11.609.571	-11.609.571	0
Depreciation, amortisation and impairment for the year	0	0	-11.093.729	11.093.729	0
Net profit/loss for the year	0	-162.339	0	19.384.738	19.222.399
Equity at 31 December	80.000.000	2.968.542	17.014.725	60.448.603	160.431.870

Notes to the Financial Statements

	2020	2019
	DKK	DKK
1 Staff expenses		
Wages and salaries	17.934.313	17.761.581
Pensions	1.573.357	1.481.961
Other social security expenses	254.717	256.961
	19.762.387	19.500.503
Transfer to production wages	-8.119.408	-7.981.711
	11.642.979	11.518.792
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Amortisation of intangible assets	11.093.728	10.935.614
Depreciation of property, plant and equipment	3.329.892	2.995.591
Gain and loss on disposal	-141.464	-87.800
	14.282.156	13.843.405
3 Financial income		
Interest received from group enterprises	393.346	336.322
Other financial income	37.976	64.031
	431.322	400.353

Notes to the Financial Statements

4 Intangible assets

	Completed development projects <u>DKK</u>
Cost at 1 January	90.981.012
Additions for the year	11.609.571
Disposals for the year	<u>-10.977.108</u>
Cost at 31 December	<u>91.613.475</u>
Impairment losses and amortisation at 1 January	34.482.129
Amortisation for the year	11.093.728
Reversal of amortisation of disposals for the year	<u>-10.977.108</u>
Impairment losses and amortisation at 31 December	<u>34.598.749</u>
Carrying amount at 31 December	<u>57.014.726</u>

Development projects include the development of several new varieties. Capitalised costs consist of internal costs for employees and purchased materials, as well as, to a lesser extent, subcontractor assistance bought-in.

The new varieties are expected to ensure continued development of primary activities and lead to increased market share. Based on an assessment of the individual development projects, Management has concluded that the recoverable amount or value in use exceeds the carrying amount.

Notes to the Financial Statements

5 Property, plant and equipment

	Land and buildings	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total
	DKK	DKK	DKK	DKK
Cost at 1 January	57.105.969	42.165.334	2.131.869	101.403.172
Additions for the year	0	3.047.289	6.051.320	9.098.609
Disposals for the year	0	-621.543	0	-621.543
Transfers for the year	3.079.416	0	-3.079.416	0
Cost at 31 December	<u>60.185.385</u>	<u>44.591.080</u>	<u>5.103.773</u>	<u>109.880.238</u>
Impairment losses and depreciation at 1 January	5.750.071	31.145.449	0	36.895.520
Depreciation for the year	687.976	2.641.916	0	3.329.892
Reversal of impairment and depreciation of sold assets	0	-621.543	0	-621.543
Impairment losses and depreciation at 31 December	<u>6.438.047</u>	<u>33.165.822</u>	<u>0</u>	<u>39.603.869</u>
Carrying amount at 31 December	<u>53.747.338</u>	<u>11.425.258</u>	<u>5.103.773</u>	<u>70.276.369</u>

Notes to the Financial Statements

	2020 DKK	2019 DKK
6 Investments in subsidiaries		
Cost at 1 January	300.000	300.000
Cost at 31 December	300.000	300.000
Value adjustments at 1 January	3.141.391	3.227.955
Exchange adjustment	-10.510	848
Net profit/loss for the year	-162.339	-87.412
Value adjustments at 31 December	2.968.542	3.141.391
Carrying amount at 31 December	3.268.542	3.441.391

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Sejet International ApS	Horsens	100%
Sejet France SASU	Frankrig	100%

7 Other fixed asset investments

	Receivables from group enterprises DKK
Cost at 1 January	266.909
Cost at 31 December	292.884
Carrying amount at 31 December	292.884

Notes to the Financial Statements

	2020	2019
	DKK	DKK
8 Other payables		
Other accrued expenses	1.844.503	1.160.000
Other payables	2.008.889	300.672
Holiday pay obligation	2.414.338	2.340.330
Value added tax etc	4.206.499	4.070.852
	10.474.229	7.871.854

9 Contingent assets, liabilities and other financial obligations

Charges and security

On 24 July 1969, a mortgage in the amount of DKK 247,879 was issued to the Danish Treasury, providing security in title no. 6, Sejet, 5l, Brund, Denmark. The mortgage is free of interest and instalments as long as the mortgaged properties are used for processing work. However, if processing is discontinued and a change of ownership takes place, the money immediately falls due for full and complete payment.

Rental and lease obligations

Liabilities under leases with third parties up to expiry	8.317.692	10.368.057
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For 2021-2026, the Company has entered into lease agreements on agricultural land with flexible land rent; however, subject to the maximum amount stated above.

10 Related parties

Consolidated Financial Statements

The Company is included in the Consolidated Financial Statements of its parent:

Name	Place of registered office
Dansk Landbrugs Grovvarerelskabs a.m.b.a.	København

Notes to the Financial Statements

11 Accounting Policies

Recognition and measurement

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

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Birger Ellermann Eriksen

Adm. direktør

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Serienummer: PID:9208-2002-2-139397202771

IP: 5.103.xxx.xxx

2021-06-30 09:52:36Z

NEM ID 

Jesper Pagh


Bestyrelsesmedlem

På vegne af: Sejet Planteforædling IS

Serienummer: PID:9208-2002-2-554844214135

IP: 152.73.xxx.xxx

2021-06-30 10:08:35Z

NEM ID 

Niels Olesen

Bestyrelsesmedlem

På vegne af: Sejet Planteforædling IS

Serienummer: PID:9208-2002-2-217120705452

IP: 85.191.xxx.xxx

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NEM ID 

Bent Nissen

Bestyrelsesformand

På vegne af: Sejet Planteforædling IS

Serienummer: PID:9208-2002-2-195488788253

IP: 213.178.xxx.xxx

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NEM ID 

Lars Peder Hansen

Bestyrelsesmedlem

På vegne af: Sejet Planteforædling IS

Serienummer: PID:9208-2002-2-782618382805

IP: 62.198.xxx.xxx

2021-07-01 09:27:27Z

NEM ID 

Henrik Brinch Pedersen

Bestyrelsesmedlem

På vegne af: Sejet Planteforædling IS

Serienummer: PID:9208-2002-2-959921839112

IP: 185.45.xxx.xxx

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NEM ID 

Thomas Ahrendt

Bestyrelsesmedlem

På vegne af: Sejet Planteforædling IS

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Tue Stensgård Sørensen


Statsautoriseret revisor

På vegne af: PricewaterhouseCoopers Statsautoriseret...

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