
SEJET
PLANTEFORÆDLING I/S

Nørremarksvej 67, DK-8700 Horsens

Internal Annual Report 2021

CVR No 14 79 72 46



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Company Information	
Company Information	5
Management's Review	6
Financial Statements	
Income Statement 1 January - 31 December	8
Balance Sheet 31 December	9
Statement of Changes in Equity	11
Notes to the Financial Statements	12

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the internal Annual Report of Sejet Planteformædling I/S for the financial year 1 January - 31 December 2021.

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 2021 of the Company and of the results of the Company operations for 2021.

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, 8 June 2022

Executive Board

Birger Ellermann Eriksen
CEO

Board of Directors

Bent Nissen
Chairman

Lars Peder Hansen
Deputy Chairman

Henrik Brinch Pedersen

Thomas Ahrendt

Jesper Pagh

Jørn Munk Andersen

Independent Auditor's Report

To the management of Sejet Planteforædling I/S

Opinion

In our opinion, the Internal Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with recognition and measurement principles in International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Internal Financial Statements of Sejet Planteforædling I/S for the financial year 1 January - 31 December 2021, 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Independent Auditor's Report

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 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.

Independent Auditor's Report

- 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.

Aarhus, 8 June 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Claus Lyngsø Sørensen

statsautoriseret revisor

mne34539

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

Fully responsible participants

DANSK LANDBRUGS GROVVARESELSKAB A.M.B.A.
VILOFOSS A/S

Board of Directors

Bent Nissen, Chairman
Lars Peder Hansen
Henrik Brinch Pedersen
Thomas Ahrendt
Jesper Pagh
Jørn Munk Andersen

Executive Board

Birger Ellermann Eriksen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Nobelparken
Jens Chr. Skous Vej 1
DK-8000 Aarhus C

Management's Review

Key activities

In 2021, 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 2021 shows a profit of DKK 20.8 million, and at 31 December 2021 the balance sheet of the Company shows equity of DKK 181.2 million.

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 20.8 million, which is satisfactory and at the level of the average result for a ten-year period. For Sejet's own varieties, 70 % of the income is collected in Denmark, while 30 % comes from abroad.

Overall, across countries, the Sejet varieties that contributed the most to earnings in 2021 were the following varieties:

- Spring barley: Flair (DK, SE), Prospect (DE, UK, IRL, DK, SE), Wish (DK)
- Winter barley: Neptun (DK), Cleopatra (DK), Padura (DE, CZ)
- Winter wheat: Heerup (DK), Rembrandt (DK), Kvium (DK)
- Triticale: Trias (DK)

For varieties in representation, the following varieties contributed the most: Spring barley: RGT Planet, Laureate and KWS Irina; Wheat: KWS Extase; Oats: Delphin and Lion; Spring wheat: Alondra and Kapitel; Faba beans: Birgit and Stella.

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 1,000 m² was built in 2020 and new reception and intermediate building that connects the offices with the laboratory and newly upgraded meeting rooms in the farmhouse was completed in 2021. Own and leased land in 2021 amounted to a total of 452 ha. and the number of full-time 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 2021, funding was obtained for a new project within plant-based food (AqriFood, Innomission 3) and fundings was applied project concerning cereal feed quality.

Management's Review

In relation to branch associations, Sejet is a very active player and holds positions in the board of the TystofteFoundation, Variety Denmark, Crop Innovation Denmark, Danish Preferred and several committees within Euroseeds (CIPR and SCP). In 2021 issues about the new breeding technologies (NGT) and new seed law (PRM) were the main focus.

Subsequent events

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

Income Statement 1 January - 31 December

	Note	2021 DKK	2020 DKK
Revenue		54.918.785	53.191.824
Other operating income		7.401.186	7.285.870
Other external expenses		-15.400.021	-15.561.855
Gross profit/loss		46.919.950	44.915.839
Staff expenses	1	-11.258.817	-11.642.979
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-14.945.983	-14.282.156
Profit/loss before financial income and expenses		20.715.150	18.990.704
Income from investments in subsidiaries		-258.702	-162.339
Financial income	3	307.889	431.322
Financial expenses		-13.210	-37.288
Net profit/loss for the year		20.751.127	19.222.399

Distribution of profit

Proposed distribution of profit

Extraordinary dividend paid	0	65.000.000
Reserve for net revaluation under the equity method	-258.702	-162.339
Retained earnings	21.009.829	-45.615.262
	20.751.127	19.222.399

Balance Sheet 31 December

Assets

	Note	2021 DKK	2020 DKK
Completed development projects		58.608.466	57.014.726
Intangible assets	4	58.608.466	57.014.726
Land and buildings		59.220.604	53.747.338
Other fixtures and fittings, tools and equipment		10.269.007	11.425.258
Property, plant and equipment in progress		0	5.103.773
Property, plant and equipment	5	69.489.611	70.276.369
Investments in subsidiaries	6	3.008.918	3.268.542
Receivables from group enterprises	7	311.898	292.884
Fixed asset investments		3.320.816	3.561.426
Fixed assets		131.418.893	130.852.521
Finished goods and goods for resale		2.580.885	2.072.848
Inventories		2.580.885	2.072.848
Trade receivables		4.636.470	5.146.257
Receivables from group enterprises		48.228.186	33.241.474
Receivables		52.864.656	38.387.731
Cash at bank and in hand		2.150.082	1.584.023
Currents assets		57.595.623	42.044.602
Assets		189.014.516	172.897.123

Balance Sheet 31 December

Liabilities and equity

	Note	2021 DKK	2020 DKK
Share capital		80.000.000	80.000.000
Reserve for net revaluation under the equity method		2.708.918	2.968.542
Reserve for development costs		18.608.468	17.014.725
Retained earnings		79.864.689	60.448.603
Equity		181.182.075	160.431.870
Trade payables		960.741	1.986.024
Payables to group enterprises		0	5.000
Other payables	8	6.871.700	10.474.229
Short-term debt		7.832.441	12.465.253
Debt		7.832.441	12.465.253
Liabilities and equity		189.014.516	172.897.123
Contingent assets, liabilities and other financial obligations	9		
Related parties	10		
Accounting Policies	11		

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	2.968.542	17.014.725	60.448.603	160.431.870
Exchange adjustments	0	-922	0	0	-922
Development costs for the year	0	0	13.333.784	-13.333.784	0
Depreciation, amortisation and impairment for the year	0	0	-11.740.041	11.740.041	0
Net profit/loss for the year	0	-258.702	0	21.009.829	20.751.127
Equity at 31 December	80.000.000	2.708.918	18.608.468	79.864.689	181.182.075

Notes to the Financial Statements

	2021	2020
	DKK	DKK
1 Staff expenses		
Wages and salaries	18.709.786	17.934.313
Pensions	1.631.601	1.573.357
Other social security expenses	282.792	254.717
	20.624.179	19.762.387
Transfer to completed development projects	-9.365.362	-8.119.408
	11.258.817	11.642.979
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Amortisation of intangible assets	11.740.041	11.093.728
Depreciation of property, plant and equipment	3.205.942	3.329.892
Gain and loss on disposal	0	-141.464
	14.945.983	14.282.156
3 Financial income		
Interest received from group enterprises	111.258	393.346
Other financial income	196.631	37.976
	307.889	431.322

Notes to the Financial Statements

4 Intangible assets

	Completed development projects <u>DKK</u>
Cost at 1 January	91.613.475
Additions for the year	13.333.781
Disposals for the year	<u>-10.748.533</u>
Cost at 31 December	<u>94.198.723</u>
Impairment losses and amortisation at 1 January	34.598.749
Amortisation for the year	11.740.041
Reversal of amortisation of disposals for the year	<u>-10.748.533</u>
Impairment losses and amortisation at 31 December	<u>35.590.257</u>
Carrying amount at 31 December	<u>58.608.466</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.

Development projects also include development activities, variety ownership rights and rights as a representative of other variety owners. These rights have been assessed by Management to have indefinite useful life. These rights are subject to an annual impairment test, which aims to ensure that the asset has a value at least equal to its 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	60.185.385	44.591.080	5.103.773	109.880.238
Additions for the year	0	1.247.445	1.171.739	2.419.184
Transfers for the year	6.275.512	0	-6.275.512	0
Cost at 31 December	<u>66.460.897</u>	<u>45.838.525</u>	<u>0</u>	<u>112.299.422</u>
Impairment losses and depreciation at 1 January	6.438.047	33.165.822	0	39.603.869
Depreciation for the year	802.246	2.403.696	0	3.205.942
Impairment losses and depreciation at 31 December	<u>7.240.293</u>	<u>35.569.518</u>	<u>0</u>	<u>42.809.811</u>
Carrying amount at 31 December	<u>59.220.604</u>	<u>10.269.007</u>	<u>0</u>	<u>69.489.611</u>

Notes to the Financial Statements

	2021 DKK	2020 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	2.968.542	3.141.391
Exchange adjustment	-922	-10.510
Net profit/loss for the year	-258.702	-162.339
Value adjustments at 31 December	2.708.918	2.968.542
Carrying amount at 31 December	3.008.918	3.268.542

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	292.884
Additions for the year	19.014
Cost at 31 December	311.898
Carrying amount at 31 December	311.898

Notes to the Financial Statements

	2021	2020
	DKK	DKK
8 Other payables		
Other accrued expenses	783.757	1.844.503
Other payables	773.745	2.008.889
Holiday pay obligation	742.124	2.414.338
Value added tax etc	4.572.074	4.206.499
	6.871.700	10.474.229

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 installments as long as the mortgaged properties are used for processing work. However, if processing is discontinued and a change of ownership takes place, the amount immediately falls due for full and complete payment.

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	72.467	8.154
Between 2-5 years	157.012	0
	229.479	8.154

Liabilities under leases with third parties up to expiry	8.074.706	8.317.692
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For 2022-2026, the Company has entered into lease agreements on agricultural land with flexible land rent; however, subject to the maximum amount stated above.

Guarantee obligations

The Company has provided a joint surety for a third party's credit facilities limited to DKK 371,825k.

Notes to the Financial Statements

10 Related parties

Consolidated Financial Statements

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

<u>Name</u>	<u>Place of registered office</u>
DANSK LANDBRUGS GROVVARESELSKAB A.M.B.A.	Fredericia

Notes to the Financial Statements

11 Accounting Policies

Recognition and measurement

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. Reference is also made to the Annual report for DLG a.m.b.a for 2021 for a more detailed description of accounting policies for the individual assets and liabilities.

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Bent Nissen

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Bestyrelsesmedlem

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Lars Peder Hansen

Bestyrelsesformand

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Jørn Munk Andersen

Bestyrelsesmedlem

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Henrik Brinch Pedersen

Bestyrelsesmedlem

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NEM ID 

Birger Ellermann Eriksen

Adm. direktør

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NEM ID 

Thomas Ahrendt

Bestyrelsesmedlem

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Claus Lyngsø Sørensen

Statsautoriseret revisor

På vegne af: PricewaterhouseCoopers Statsautoriseret...

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