

SEJET
PLANTEFORÆDLING I/S

Nørremarksvej 67, DK-8700 Horsens

Internal Annual Report 2022

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 Planteforædling I/S for the financial year 1 January - 31 December 2022.

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 2022 of the Company and of the results of the Company operations for 2022.

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 May 2023

Executive Board

Birger Ellermann Eriksen
CEO

Board of Directors

Truels Damsgaard
Chairman

Lars Peder Hansen
Deputy Chairman

Henrik Brinch Pedersen

Thomas Ahrendt

Christoffer Hage

Jørn Munk Andersen

Independent Auditor's Report

To the Management of Sejet Planteforædling I/S and the partners of the Company

Opinion

In our opinion, the Internal Financial Statements are, in all material respects, prepared in accordance with the accounting policies described in the note on accounting policies.

We have audited the Internal Financial Statements of Sejet Planteforædling I/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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.

Emphasis of matter – accounting policies and limitation of distribution and use

We emphasise that the Financial Statements are prepared in accordance with Management's requirements. The Financial Statements have been prepared to provide Management and the partners of the Company with financial information relevant for economic decision making. The Financial Statements may therefore be unsuitable for any other purposes.

Our Report has been prepared solely for use by Sejet Planteforædling I/S' Management and the partners of the Company and should not be distributed to or used by any other parties.

Our opinion has not been modified in respect of this matter.

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.

Independent Auditor's Report

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials 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 requirements of 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 the Internal Financial Statements in accordance with the accounting policies described in the note on accounting policies, and that the accounting policies are appropriate for the purpose 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 Internal 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 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.

Independent Auditor's Report

- 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.

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, 30 May 2023

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

Truels Damsgaard, Chairman
Lars Peder Hansen
Henrik Brinch Pedersen
Thomas Ahrendt
Christoffer Hage
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 2022, 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 2022 shows a profit of DKK 24.8 million, and at 31 December 2022 the balance sheet of the Company shows equity of DKK 206.0 million.

Sejet's activities were further intensified in 2022, following the strategic plan laid out for the company towards 2030. The profit of DKK 24.8 million is highly satisfactory and above the average result for a ten-year period. For Sejet's own varieties, 70% of the revenue is generated in Denmark, while 30% comes from abroad.

Overall, across countries, the Sejet varieties that contributed the most to the earnings in 2022 were as follows:

- Spring barley: Prospect (DK, DE, SE, UK, IRL), Flair (DK, SE, PL, SP), Wish (DK)
- Winter barley: Alaska (DK), Cleopatra (DK, SE), Padura (DE, CZ)
- Winter wheat: Heerup (DK), Kvium (DK), Rembrandt (DK), KNUT (DE)
- Triticale: Trias (DK)
- Spring wheat: Selina and Linnea (FI)

Regarding represented varieties, the following varieties contributed the most to the earnings: Spring barley: Laureate, RGT Planet, and KWS Irina; Wheat: RGT Stokes, KWS Extase, and Champion; Oats: Delfin and Lion; Spring wheat: Kapitot; Faba beans: Birgit and Stella.

Research and development

Sejet continues to heavily invest in both established breeding programs and new programs. The new programs include spring wheat, six-row winter barley, faba beans and field peas. The field pea program was initiated in 2022 and is set up as a joint venture with the French breeding company UNISIGMA. The winter barley, triticale, and spring wheat programs primarily target foreign markets with Denmark as a spin-off. Germany has the highest priority in terms of investment in foreign markets, and the Sejet materials are being tested at numerous trial sites in Germany. The marketing of Sejet varieties in other countries around the Baltic Sea where DLG is active (Sweden, Balticum, and Poland) has also been intensified.

Management's Review

Facilities and land

In 2022, a new property of 75 hectares was acquired, bringing Sejet's total land acreage to 225 hectares, with a total of 452 hectares under cultivation. After the change of ownership at Christiansminde, Sejet entered into a new lease agreement with the new owners (the Nissen family). In 2022, Sejet had 40 permanent employees and 15 season workers, accounting for a total of 39 full-time equivalents.

Research projects and associations

Sejet remains highly active in collaboration with the research sector, both in Denmark and abroad, and participates in numerous projects. In 2022, funding was obtained for a new project within BNI (Biological Nitrification Inhibition) from the Novo Nordisk Foundation. The project does not provide direct support, but Sejet is involved as the commercial partner. Regarding industry policies, Sejet is an active player and holds positions within TystofteFonden, Danish Seed Owners, Crop Innovation Denmark, Danish Preferred, and committees under Euroseeds (CIPR and SCP). In 2022, there was significant activity, particularly concerning new breeding techniques (NGT) and the new seed regulation (PMR).

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	2022 DKK	2021 DKK
Revenue		60.919.110	54.918.785
Other operating income		10.281.595	7.401.186
Other external expenses		-18.689.019	-15.400.021
Gross profit/loss		52.511.686	46.919.950
Staff expenses	1	-12.485.632	-11.258.817
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-15.425.887	-14.945.983
Profit/loss before financial income and expenses		24.600.167	20.715.150
Income from investments in subsidiaries		-108.631	-258.702
Financial income	3	461.679	307.889
Financial expenses		-149.818	-13.210
Net profit/loss for the year		24.803.397	20.751.127

Distribution of profit

Proposed distribution of profit

Reserve for net revaluation under the equity method		-108.631	-258.702
Retained earnings		24.912.028	21.009.829
		24.803.397	20.751.127

Balance Sheet 31 December

Assets

	Note	2022 DKK	2021 DKK
Completed development projects		59.305.767	58.608.466
Intangible assets	4	59.305.767	58.608.466
Land and buildings		58.408.016	59.220.604
Other fixtures and fittings, tools and equipment		11.156.858	10.269.007
Property, plant and equipment in progress		44.406	0
Property, plant and equipment	5	69.609.280	69.489.611
Investments in subsidiaries	6	2.900.287	3.008.918
Receivables from group enterprises	7	384.634	311.898
Fixed asset investments		3.284.921	3.320.816
Fixed assets		132.199.968	131.418.893
Finished goods and goods for resale		3.607.656	2.580.885
Inventories		3.607.656	2.580.885
Trade receivables		7.714.848	4.636.470
Receivables from group enterprises		70.227.122	48.228.186
Receivables		77.941.970	52.864.656
Cash at bank and in hand		2.108.492	2.150.082
Currents assets		83.658.118	57.595.623
Assets		215.858.086	189.014.516

Balance Sheet 31 December

Liabilities and equity

	Note	2022 DKK	2021 DKK
Share capital		80.000.000	80.000.000
Reserve for net revaluation under the equity method		2.600.287	2.708.918
Reserve for development costs		19.305.769	18.608.468
Retained earnings		104.079.416	79.864.689
Equity		205.985.472	181.182.075
Trade payables		2.436.082	960.741
Other payables	8	7.032.332	6.871.700
Deferred income		404.200	0
Short-term debt		9.872.614	7.832.441
Debt		9.872.614	7.832.441
Liabilities and equity		215.858.086	189.014.516
Contingent assets, liabilities and other financial obligations	9		
Related parties	10		
Accounting Policies	11		

Perneo dokumentnøgle: ECACH-773MD-V48YC-EKVVV-FVK7M-5JD1B

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	2.708.918	18.608.468	79.864.689	181.182.075
Development costs for the year	0	0	12.981.977	-12.981.977	0
Depreciation, amortisation and impairment for the year	0	0	-12.284.676	12.284.676	0
Net profit/loss for the year	0	-108.631	0	24.912.028	24.803.397
Equity at 31 December	80.000.000	2.600.287	19.305.769	104.079.416	205.985.472

Notes to the Financial Statements

	2022 DKK	2021 DKK
1 Staff expenses		
Wages and salaries	19.830.308	18.709.786
Pensions	1.706.385	1.631.601
Other social security expenses	328.290	282.792
	21.864.983	20.624.179
Transfer to completed development projects	-9.379.351	-9.365.362
	12.485.632	11.258.817
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Amortisation of intangible assets	12.284.676	11.740.041
Depreciation of property, plant and equipment	3.141.211	3.205.942
	15.425.887	14.945.983
3 Financial income		
Interest received from group enterprises	137.604	111.258
Other financial income	324.075	196.631
	461.679	307.889

Notes to the Financial Statements

4 Intangible assets

	Completed development projects <u>DKK</u>
Cost at 1 January	94.198.723
Additions for the year	12.981.977
Disposals for the year	<u>-10.803.438</u>
Cost at 31 December	<u>96.377.262</u>
Impairment losses and amortisation at 1 January	35.590.257
Amortisation for the year	12.284.676
Reversal of amortisation of disposals for the year	<u>-10.803.438</u>
Impairment losses and amortisation at 31 December	<u>37.071.495</u>
Carrying amount at 31 December	<u>59.305.767</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	66.460.897	45.838.525	0	112.299.422
Additions for the year	41.957	3.174.517	44.406	3.260.880
Disposals for the year	0	-313.450	0	-313.450
Cost at 31 December	66.502.854	48.699.592	44.406	115.246.852
Impairment losses and depreciation at 1 January	7.240.293	35.569.518	0	42.809.811
Depreciation for the year	854.545	2.286.666	0	3.141.211
Reversal of impairment and depreciation of sold assets	0	-313.450	0	-313.450
Impairment losses and depreciation at 31 December	8.094.838	37.542.734	0	45.637.572
Carrying amount at 31 December	58.408.016	11.156.858	44.406	69.609.280

Notes to the Financial Statements

	2022 DKK	2021 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	2.708.918	2.968.542
Exchange adjustment	0	-922
Net profit/loss for the year	-108.631	-258.702
Value adjustments at 31 December	2.600.287	2.708.918
Carrying amount at 31 December	2.900.287	3.008.918

Investments in subsidiaries are specified as follows:

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

7 Other fixed asset investments

	Receivables from group enterprises DKK
Cost at 1 January	311.898
Additions for the year	72.736
Cost at 31 December	384.634
Carrying amount at 31 December	384.634

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Notes to the Financial Statements

	2022 DKK	2021 DKK
8 Other payables		
Other accrued expenses	877.000	783.757
Other payables	312.589	773.745
Holiday pay obligation	757.946	742.124
Value added tax etc	5.084.797	4.572.074
	7.032.332	6.871.700

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	72.467
Between 2-5 years	84.545	157.012
	157.012	229.479

Liabilities under leases with third parties up to expiry	5.202.070	8.074.706
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For 2023-2026, 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:

Name	Place of registered office
DANSK LANDBRUGS GROVVARESELSKAB A.M.B.A.	Fredericia

Notes to the Financial Statements

11 Accounting Policies

Recognition and measurement

The Financial Statements of Sejet Planteforædling I/S for 2022 have been prepared in accordance with the provisions of the International Financial Reporting Standards as adopted by the EU on recognition and measurement and with the choice of accounting policies as set out in the external Annual Report of Dansk Landbrugs Grovvarereselskab a.m.b.a. for 2022, as well as Management's requirements for note disclosures.

The Financial Statements have been prepared to provide Management and the partners of the Company with financial information relevant for economic decision making. The Financial Statements may therefore be unsuitable for any other purposes.

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Jørn Munk Andersen

Board Member

På vegne af: SEJET PLANTEFORÆDLING IS

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Lars Peder Hansen

Deputy Chairman

På vegne af: SEJET PLANTEFORÆDLING IS

Serienummer: PID:9208-2002-2-782618382805

IP: 130.227.xxx.xxx

2023-05-30 12:04:30 UTC



Birger Ellermann Eriksen

CEO

På vegne af: SEJET PLANTEFORÆDLING IS

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IP: 80.209.xxx.xxx

2023-05-31 06:45:09 UTC



Henrik Brinch Pedersen

Board Member

På vegne af: SEJET PLANTEFORÆDLING IS

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IP: 130.225.xxx.xxx

2023-06-01 08:53:43 UTC



Christoffer Hage

Board Member

På vegne af: Sejet Planteformædling I/S

Serienummer: 553dadf1-55b0-44d0-aa01-f3f49c0575b9

IP: 213.83.xxx.xxx

2023-06-01 11:21:27 UTC



Truels Damsgaard

Chairman

På vegne af: Sejet Planteformædling I/S

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Thomas Ahrendt

Board Member

På vegne af: SEJET PLANTEFORÆDLING IS

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Claus Lyngsø Sørensen

PRICEWATERHOUSECOOPERS STATS-AUTORISERET

REVISIONSPARTNERSELSKAB CVR: 33771231

State Authorised Public Accountant

På vegne af: PricewaterhouseCoopers Statsautoriseret...

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