

# Semiannual Report 2020 | 2021

July 1, 2020, to December 31, 2020

**SEEDING  
THE FUTURE**  
SINCE 1856



# KWS in Figures

## KWS Group

in € millions	1st half of 2020/2021	1st half of 2019/2020	1st half of 2018/2019	1st half of 2017/2018	1st half of 2016/2017
<b>Net sales and income</b>					
Net sales	326.0	329.6	289.1	244.1	280.0
EBITDA	-48.2	-50.8	-51.8	-65.8	-46.9
EBIT	-93.2	-92.0	-76.6	-89.6	-70.3
Net financial income/expenses	-24.9	-27.4	-21.1	-29.0	-25.8
Net income for the period	-86.2	-86.5	-61.2	-80.6	-64.3
<b>Financial position and assets</b>					
Capital expenditure	38.0	49.1	41.8	27.9	33.6
Depreciation and amortization	45.0	41.2	24.8	23.8	23.4
Equity	824.4	858.7	798.2	705.1	702.6
Equity ratio in %	35.8	36.5	50.0	48.2	47.4
Net debt <sup>1</sup>	589.3	642.5	174.6	223.8	236.6
Total assets <sup>2</sup>	2,305.2	2,350.1	1,596.9	1,463.5	1,481.0
Cash flow from operating activities <sup>3</sup>	-22.1	-80.0	-70.3	-127.3	-85.1
Free cash flow <sup>3,4</sup>	-64.3	-521.1	-116.1	-154.8	-127.2
<b>Employees</b>					
Number of full-time employees <sup>5</sup>	4,640	4,448	4,008	3,866	3,965
<b>Key figures for the share</b>					
Earnings per share in € <sup>6</sup>	-2.61	-2.62	-1.85	-2.44	-1.95

1 Short-term + long-term borrowings – cash and cash equivalents – securities

2 First half of 2019/2020 adjusted for effects from the final purchase price allocation of the Pop Vriend Seeds Group

3 Statement of interest received and paid in the previous year adjusted

4 First half of 2019/2020 includes acquisition of shares in Pop Vriend Seeds Group; Adjusted free cash flow was € -126.3 million

5 FTE: Full-time equivalents

6 Earnings per share of previous periods adjusted due to share split.

## Reconciliation for the 1st half of 2020/2021

in € millions	Segments	Reconciliation	KWS Group
Net sales	360.7	-34.7	326.0
EBIT	-109.9	16.7	-93.2

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# Group Interim Management Report

## Importance of the First Half for the Fiscal Year

Our core markets are in the northern hemisphere, where our main sales drivers corn and sugarbeet seed are sown in the spring. Due to the strongly seasonal nature of the company's business, the first half of the year (July 1 to December 31) contributes only about 25% of total net sales for the fiscal year. Only our winter cereals and winter rapeseed seed business is largely over by the end of the period under review. In addition, net sales of corn, soybean and sugarbeet seed from our activities in the southern hemisphere and from vegetable seed are included in the semiannual financial statements.

## Economic Report

### Performance of the KWS Group in the first six months of 2020/2021

The KWS Group showed a positive operating performance in the period under review, although exchange rate effects weighed on its results. Net sales declined slightly by 1.1% in nominal terms, but rose sharply by 9% on a comparable basis (excluding exchange rate effects).

From the operational perspective, the first half of the year was largely in line with expectations. In the Corn Segment, we recorded buoyant seed business, in particular in South America. The Cereals Segment benefited from robust business in winter cereals and winter rapeseed. However, net sales of vegetable seed fell sharply due to lower demand in the food service market segment in the wake of the Covid-19 pandemic. The Sugarbeet Segment generates only a small share of its net sales in the first half of the year due to seasonal reasons.

### Earnings, financial position and assets

#### Earnings

#### Condensed income statement

in € millions	1st half of 2020/2021	1st half of 2019/2020	+/-
Net sales	326.0	329.6	-1.1%
EBITDA	-48.2	-50.8	5.1%
Operating income (EBIT)	-93.2	-92.0	-1.3%
Net financial income/expenses	-24.9	-27.4	9.1%
Result of ordinary activities	-118.1	-119.4	1.1%
Income taxes	-31.8	-32.8	3.0%
<b>Net income for the period</b>	<b>-86.2</b>	<b>-86.5</b>	<b>0.3%</b>
<b>Earnings per share in €</b>	<b>-2.61</b>	<b>-2.62</b>	<b>0.4%</b>
<b>EBIT margin in %</b>	<b>-28.6</b>	<b>-27.9</b>	<b>-</b>

#### Net sales at the level of the previous year despite exchange rate effects

The KWS Group's net sales in the first six months of fiscal 2020/2021 were €326.0 million, and so on a par with the previous year (€329.6 million), despite being weighed down by exchange rate effects. There were negative exchange rate influences in particular from the Brazilian real and Argentinian peso and – to a lesser extent – currencies from several Eastern European countries and the US dollar.

The Cereals and Corn Segments accounted for a major share of total net sales, namely around 48% and 30% respectively.

## Net sales by segment

Total net sales €326.0 million<sup>1</sup>



<sup>1</sup> Without net sales of our equity consolidated companies

The region where we generated most of our business was Europe, which accounted for 58% of net sales (Germany: 21%), while net sales from North and South America contributed around 32% of the total. Revenues from our North American and Chinese equity-accounted companies are included proportionately in the separate comments on the segments (see the section Segment reports on pages 7 to 9).

## Net sales by region

Total net sales €326.0 million<sup>1</sup>



<sup>1</sup> Without net sales of our equity consolidated companies

## EBITDA, EBIT and net income negative as customary for the period

Operating income and net income for the period, which are key indicators at the KWS Group, are typically negative in the first half of the year and were at the level of the previous year in the period under review.

EBITDA was €-48.2 (-50.8) million and EBIT was €-93.2 (-92.0) million. Gross profit was lower, while there were higher costs for research & development, although selling expenses were lower year over year. All in all, exchange rate influences reduced the KWS Group's earnings, despite positive measurement effects from financial instruments.

Net financial income/expenses was €-24.9 (-27.4) million. Since the main contributions to earnings from the equity-accounted joint ventures do not materialize until the third quarter, net income from equity investments in the first half of the year is well in the red. It totaled €-17.2 (-19.7) million. The interest result was unchanged at €-7.7 (-7.7) million.

Income taxes totaled €-31.8 (-32.8) million. The result was net income for the period of €-86.2 (-86.5) million or €-2.61 (-2.62) per share.

## Financial situation

### Selected key figures for the financial situation

in € millions	1st half of 2020/2021	1st half of 2019/2020 <sup>1</sup>	+/-
Cash and cash equivalents	221.0	190.1	16.3%
Net cash from operating activities	-22.1	-80.0	72.4%
Net cash from investing activities	-42.1	-441.1	90.5%
<b>Free cash flow</b>	<b>-64.3</b>	<b>-521.1</b>	<b>87.7%</b>
Net cash from financing activities	173.4	138.6	25.1%

<sup>1</sup> Previous year adjusted (see cash flow statement in the condensed interim consolidated financial statements)

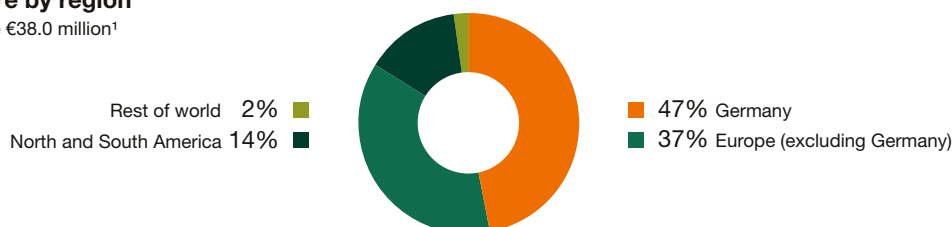
The KWS Group's seasonal course of business impacts its cash flow statement, which changes significantly in the course of the year. The net cash from operating activities in the period under review was €-22.1 (-80.0) million. This improvement was mainly attributable to a sharp reduction in working capital.

The net cash used in investing activities fell sharply to €-42.1 million, following the high figure of €-441.1 million in the previous year due to the acquisition of Pop Vriend Seeds. The KWS Group invested a total of €38.0 (49.1) million in property, plant and equipment and intangible assets (excluding leases) in the first six months of fiscal 2020/2021. The main focus of that is on erecting and expanding production and research and development capacities.

KWS partly uses a revolving line of credit and issues short-term commercial papers in order to finance its general business operations during the year. The net cash from financing activities increased to €173.4 (138.6) million, mainly as a result of measures to improve the financing structure and optimize financing costs given the current low level of interest rates. At the same time, net debt was reduced significantly. Cash and cash equivalents totaled €221.0 (190.1) million.

### Capital expenditure by region

Total capital expenditure €38.0 million<sup>1</sup>



### Capital expenditure by segment

Total capital expenditure €38.0 million<sup>1</sup>



<sup>1</sup> Without capital expenditure of our equity consolidated companies

## Assets

### Condensed balance sheet

in € millions	December 31, 2020	June 30, 2020	+/-
<b>Assets</b>			
Noncurrent assets	1,260.7	1,274.6	-1.1%
Current assets	1,044.3	960.5	8.7%
Assets held for sale	0.3	0.4	-25.0%
<b>Equity and liabilities</b>			
Equity	824.4	994.5	-17.1%
Noncurrent liabilities	771.2	795.5	-3.1%
Current liabilities	709.6	445.5	59.3%
<b>Total assets</b>	<b>2,305.2</b>	<b>2,235.5</b>	<b>3.1%</b>

The KWS Group's balance sheet during the year is impacted sharply by the seasonal course of its business. There are thus usually significant changes in balance sheet items, in particular for working capital, in the course of the year. Inventories rose to €427.3 (214.1)<sup>1</sup> million. Trade receivables fell to €213.3 (432.6) million, while trade payables increased to €150.8 (109.7) million. Cash and cash equivalents increased to €221.0 (119.7) million.

The equity ratio declined to 35.8% (44.5%), due to the seasonally related negative income for the period and large negative effects from currency translation for foreign subsidiaries and equity-accounted financial assets. Net debt was €589.3 (495.7) million and total assets at December 31, 2020, were €2,305.2 (2,235.5) million.

## Employees

### Number of full-time employees by region<sup>1</sup>

	December 31, 2020	June 30, 2020	+/-
Germany	2,056	2,006	2.5%
Europe (excluding Germany)	1,466	1,455	0.7%
North and South America	942	954	-1.2%
Rest of world	177	184	-3.8%
<b>Total</b>	<b>4,640</b>	<b>4,598</b>	<b>0.9%</b>

<sup>1</sup> Full-time employees (FTE) at the balance sheet date

## Segment reports

### Reconciliation with the KWS Group

The KWS Group's interim consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS). The segments are presented in the economic report in line with our internal corporate controlling structure in accordance with GAS 20. The main difference is that we no longer carry the pro-rata revenues and costs of our equity-accounted joint ventures and associated companies in the statement of comprehensive income.

The earnings contributed by the equity-accounted companies are instead included at the Group level under net financial income/expenses. In addition, their assets and liabilities are included separately in the KWS Group's balance sheet under the financial assets. Our equity-accounted companies are included proportionately in the segment reports in line with our internal corporate controlling structure.

<sup>1</sup> The figures in parentheses in this section are those at June 30, 2020.

The difference from the KWS Group's statement of comprehensive income is summarized for a number of key indicators in the reconciliation table:

#### Reconciliation table

in € millions	Segments	Reconciliation	KWS Group
Net sales	360.7	-34.7	326.0
EBIT	-109.9	16.7	-93.2
Number of employees as of December 31, 2020	5,085	-444	4,640
Capital expenditure	39.6	-1.6	38.0
Total assets	2,556.4	-251.1	2,305.2

#### Corn Segment

Net sales at the Corn Segment declined slightly to €131.8 (133.4) million. Business expanded buoyantly (in terms of local currency) in Brazil and Argentina, our main markets in South America. On the other hand, there were significant negative exchange rate influences from the Brazilian real and Argentinian peso. Our business in North America declined in the face of a challenging competitive environment. The segment's income was €-69.1 million, on a par with the previous year's figure of €-68.2 million. The Corn Segment does not generate significant net sales and contributions to earnings until the spring sowing season in the third quarter (January to March).

#### Sugarbeet Segment

Net sales at the Sugarbeet Segment rose in the first half of the year to €43.1 (27.9) million. The sharp increase is mainly attributable to a higher proportion of early sales in Germany and Eastern Europe. In the previous fiscal year, we did not record such deliveries until after the New Year. The segment's income in the first six months was €-45.6 million and so at the level of the previous year (€-46.3 million). Although net sales rose, there were in particular higher negative exchange rate effects and higher research and development expenditure. As is customary, revenue from sugarbeet seed is low in the first half of the year; significant net sales are not generated until the spring sowing season in the third quarter (January to March).

#### Cereals Segment

Net sales at the Cereals Segment in the first six months were €156.1 million, on a par with the previous year (€157.1 million). Whereas exchange rate effects likewise negatively impacted the figure, there was a noticeable increase in sales volumes for wheat, barley and rapeseed seed. Business operations with hybrid rye seed were stable, although net sales fell 4% year over year due to exchange rate effects. The medium-term growth prospects for hybrid rye remain positive. The segment's income was €52.3 million and so at the level of the previous year (€53.8 million).

#### Vegetables Segment

Net sales at the Vegetables Segment fell sharply to €26.0 (44.3) million due to lower demand for spinach seed in the wake of the Covid-19 pandemic, which hit the food service market segment particularly hard. This drop in business also meant that EBITDA declined to €2.8 (19.1) million and EBIT (including effects from the purchase price allocation) to €-8.7 (2.3) million.

#### Corporate Segment

Net sales in the Corporate Segment rose to €3.6 (2.5) million. They are mainly generated from our farms. Since all cross-segment costs for the KWS Group's central functions and basic research expenditure are charged to the Corporate Segment, its income is usually negative. The segment's income improved to €-39.1 (-54.4) million, mainly due to positive exchange rate-related measurement effects from financial instruments and lower costs as a result of the pandemic.



## Overview of the segments

in € millions	2nd quarter of 2020/2021	2nd quarter of 2019/2020	1st half of 2020/2021	1st half of 2019/2020
<b>Net sales</b>				
Corn	84.9	89.0	131.8	133.4
Sugarbeet	27.0	17.3	43.1	27.9
Cereals	47.1	45.1	156.1	157.1
Vegetables	12.7	17.3	26.0	44.3
Corporate	1.9	0.9	3.6	2.5
<b>Total</b>	<b>173.6</b>	<b>169.5</b>	<b>360.7</b>	<b>365.2</b>
<b>EBIT</b>				
Corn	-28.1	-30.7	-69.1	-68.2
Sugarbeet	-13.1	-17.8	-45.3	-46.3
Cereals	16.3	17.2	52.3	53.8
Vegetables	-5.4	-0.7	-8.7	2.3
Corporate	-17.1	-21.7	-39.1	-54.4
<b>Total</b>	<b>-47.4</b>	<b>-53.7</b>	<b>-109.9</b>	<b>-112.8</b>

## Opportunity and Risk Report

There has been no significant change in the situation as to opportunities and risks compared with at June 30, 2020. Risks that jeopardize the company's existence are not currently discernible. You can find detailed information on the risk management system and the risk situation at the KWS Group in the Combined Management Report starting on page 78 of the 2019/2020 Annual Report.

## Forecast Report

The Executive Board still anticipates that the KWS Group will generate net sales at the level of the previous year (€1,282.6 million). Assuming that net sales are stable, the EBIT margin is expected to be between 11% and 13% (after adjustment for non-cash effects as part of the purchase price allocation for the acquisition of Pop Vriend Seeds).

Due to the change in its short-term business prospects, we now assume that the Vegetables Segment will generate net sales in a range between €60 and €65 million (previously: a slight decline from the previous year's figure of €83.5 million). We now expect that the EBIT margin – after adjustment for effects as part of the purchase price allocation for the acquisition of Pop Vriend Seeds – will be around 20% (previously: 20% to 25%).

You can find detailed information on the forecasts for the current fiscal year in the Combined Management Report starting on page 88 of the 2019/2020 Annual Report.

# Condensed Interim Consolidated Financial Statements

## Statement of Comprehensive Income

in € millions	2nd quarter of 2020/2021	2nd quarter of 2019/2020	1st half of 2020/2021	1st half of 2019/2020
<b>I. Income statement</b>				
Net sales	142.0	138.6	326.0	329.6
<b>Operating income</b>	<b>-42.7</b>	<b>-49.6</b>	<b>-93.2</b>	<b>-92.0</b>
Net financial income/expenses	-9.7	-5.2	-24.9	-27.4
Result of ordinary activities	-52.4	-54.7	-118.1	-119.4
Income taxes	-14.1	-14.8	-31.8	-32.8
<b>Net income for the period</b>	<b>-38.3</b>	<b>-39.9</b>	<b>-86.2</b>	<b>-86.5</b>
<b>II. Other comprehensive income</b>				
Items that may have to be subsequently reclassified as profit or loss	-22.4	-11.1	-63.2	4.2
Items not reclassified as profit or loss	0.0	0.1	0.1	0.1
<b>Other comprehensive income after tax</b>	<b>-22.4</b>	<b>-11.0</b>	<b>-63.2</b>	<b>4.4</b>
<b>III. Comprehensive income (total of I. and II.)</b>				
Net income for the period after shares of minority interests	-38.3	-40.0	-86.2	-86.5
Share of minority interests	0.0	-0.1	0.0	-0.1
<b>Net income for the period</b>	<b>-38.3</b>	<b>-40.1</b>	<b>-86.2</b>	<b>-86.6</b>
Comprehensive income after shares of minority interests	-60.7	-50.9	-149.4	-82.2
Share of minority interests	-0.1	0.0	-0.1	0.0
<b>Comprehensive income<sup>1</sup></b>	<b>-60.8</b>	<b>-50.9</b>	<b>-149.4</b>	<b>-82.2</b>
<b>Earnings per share in €</b>	<b>-1.16</b>	<b>-1.21</b>	<b>-2.61</b>	<b>-2.62</b>

<sup>1</sup> Includes effects from currency translation of foreign subsidiaries and from financial assets accounted at equity

# Balance Sheet<sup>1</sup>

## Assets

in € millions	December 31, 2020	June 30, 2020	December 31, 2019 <sup>1</sup>
Goodwill	116.7	117.3	120.8
Intangible assets	354.0	368.4	376.6
Right-of-use assets	42.9	46.3	58.8
Property, plant and equipment	496.9	494.2	476.6
Equity-accounted financial assets	139.4	162.0	134.2
Financial assets	6.2	6.2	5.3
Noncurrent tax assets	0.7	1.5	1.5
Other noncurrent receivables	7.8	8.1	0.0
Deferred tax assets	96.1	70.6	90.6
<b>Noncurrent assets</b>	<b>1,260.7</b>	<b>1,274.6</b>	<b>1,264.5</b>
Inventories	427.3	214.1	439.6
Biological assets	3.0	15.9	6.5
Contract assets IFRS 15	1.3	2.6	1.2
Trade receivables	213.3	432.6	227.5
Cash and cash equivalents	221.0	119.7	190.2
Current tax assets	90.8	82.5	97.2
Other current financial assets	29.4	63.4	70.4
Other current assets	58.1	29.7	53.1
<b>Current assets</b>	<b>1,044.3</b>	<b>960.5</b>	<b>1,085.7</b>
Assets held for sale	0.3	0.4	0.0
<b>Total assets</b>	<b>2,305.2</b>	<b>2,235.5</b>	<b>2,350.1</b>

## Equity and liabilities

Subscribed capital	99.0	99.0	99.0
Capital reserve	5.5	5.5	5.5
Retained earnings	719.9	889.8	754.2
Minority interests	0.0	0.1	0.0
<b>Equity</b>	<b>824.4</b>	<b>994.5</b>	<b>858.7</b>
Long-term provisions	137.0	140.1	135.7
Long-term borrowings	505.8	521.7	566.3
Noncurrent lease liabilities	37.0	39.9	47.0
Other noncurrent financial liabilities	0.2	0.5	0.9
Deferred tax liabilities	78.6	92.3	84.8
Other long-term liabilities	12.5	1.0	18.8
<b>Noncurrent liabilities</b>	<b>771.2</b>	<b>795.5</b>	<b>853.5</b>
Short-term provisions	37.1	52.5	55.4
Short-term borrowings	304.5	93.7	266.3
Current lease liabilities	10.6	11.4	12.3
Trade payables	150.8	109.7	126.5
Current tax liabilities	45.4	41.8	36.3
Other current financial liabilities	6.0	17.1	17.1
Contract liabilities IFRS 15	7.4	19.2	4.9
Other current liabilities	147.8	100.1	119.0
<b>Current liabilities</b>	<b>709.6</b>	<b>445.5</b>	<b>637.8</b>
<b>Liabilities</b>	<b>1,480.8</b>	<b>1,241.0</b>	<b>1,491.4</b>
<b>Total assets</b>	<b>2,305.2</b>	<b>2,235.5</b>	<b>2,350.1</b>

<sup>1</sup> The comparative figures at December 31, 2019, have been adjusted for effects from the final purchase price allocation for the Pop Vriend Seeds Group.

## Statement of Changes in Equity

### Changes in equity

in € millions	Group interests <sup>1</sup>	Minority interests	Group equity
<b>07/01/2019</b>	<b>960.8</b>	<b>2.7</b>	<b>963.5</b>
Dividends paid	-22.1	0.0	-22.1
Net income for the year	-86.5	0.0	-86.5
Other income after taxes	4.4	0.0	4.4
Total comprehensive income	-82.2	0.0	-82.2
Changes in minority interests	0.0	-2.7	-2.7
Other changes	2.2	0.0	2.2
<b>21/31/2019</b>	<b>858.7</b>	<b>0.0</b>	<b>858.7</b>
<b>07/01/2020</b>	<b>994.4</b>	<b>0.1</b>	<b>994.5</b>
Dividends paid	-23.1	0.0	-23.1
Net income for the year	-86.2	0.0	-86.3
Other income after taxes	-63.2	0.0	-63.2
Total comprehensive income	-149.4	0.0	-149.4
Changes in minority interests	0.0	-0.1	-0.1
Other changes	2.6	0.0	2.6
<b>12/31/2020</b>	<b>824.4</b>	<b>0.0</b>	<b>824.4</b>

<sup>1</sup> The figures for the previous year have been adjusted for effects from the final purchase price allocation for the Pop Vriend Seeds Group

## Cash Flow Statement

### Cash proceeds and payments

in € millions	1st half of 2020/2021	1st half of 2019/2020 <sup>1</sup>
<b>Net income for the period</b>	<b>-86.2</b>	<b>-86.5</b>
<b>Net cash from operating activities</b>	<b>-22.1</b>	<b>-80.0</b>
<b>Net cash from investing activities</b>	<b>-42.1</b>	<b>-441.1</b>
<b>Net cash from financing activities</b>	<b>173.4</b>	<b>138.6</b>
Change in cash and cash equivalents	109.1	-382.6
Changes in cash and cash equivalents due to exchange rate, consolidated group and measurement changes	-7.9	-1.8
Cash and cash equivalents at beginning of period (July 1)	119.7	159.8
Plus the cash deposited in a trust account for acquisition of the Pop Vriend Seeds Group	0.0	414.7
<b>Cash and cash equivalents at end of period</b>	<b>221.0</b>	<b>190.1</b>

<sup>1</sup> Previous year's information changed (allocation of interest paid to cash flow from financing activities; allocation of interest received to cash flow from investing activities)

# Condensed Notes to the Interim Financial Statements

## Basis of Accounting and Reporting

The KWS Group is a consolidated group as defined in the valid International Financial Reporting Standards (IFRSs) published by the International Accounting Standards Board (IASB), London, and adopted by the European Union, taking into account the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). All disclosures on KWS are therefore disclosures on the Group within the meaning of these regulations. The interim financial statements as of December 31, 2020, were prepared as condensed financial statements in accordance with the provisions of IAS 34.

Exactly the same accounting policies applied in the preparation of the consolidated financial statements as of June 30, 2020, were used, with the exception of the accounting standard that was adopted for the first time in the current fiscal year.

## First-time Application of new IFRSs

The accounting policies used to prepare the condensed interim financial statements of the KWS Group were the same as those used in the consolidated financial statements as of June 30, 2020, with the exception that the new standards that came into effect as of July 1, 2020, were applied. The Group has not adopted any standards, interpretations or amendments that have been published, but have not yet come into effect. Certain amendments and interpretations apply for the first time in 2020/2021, but have no effects on the Group's condensed interim consolidated financial statements.

## Consolidated Group and Changes in the Consolidated Group

The condensed interim financial statements of the KWS Group for the first six months of fiscal 2020/2021 include the single-entity financial statements of KWS SAAT SE & Co. KGaA and its subsidiaries and joint ventures in Germany and other countries, the associated companies and the joint operations, which are carried in accordance with IFRS 11 and IAS 28. Subsidiaries that are considered immaterial for the presentation and evaluation of the financial position and performance of the Group are not included.

The consolidated financial statements of the KWS Group contain 72 (June 30, 2020: 76) fully consolidated subsidiaries. Thereof, 13 (June 30, 2020: 13) of them are based in Germany and 59 (June 30, 2020: 63) are based in other countries. In addition, 6 (June 30, 2020: 4) companies are included using the equity method and 8 (June 30, 2020: 8) joint operations are included in the KWS Group's consolidated financial statements as of December 31, 2020.

The KWS Group acquired a 35% stake in KWS FIDC on August 14, 2020. The purchase price was approximately €7 million. The company is included as an associated company in the consolidated financial statements using the equity method. The company uses most of its funds to purchase receivables.

The KWS Group's share in the company Impetus Agriculture was diluted to 45.39% on December 29, 2020. As a result, the KWS Group lost the possibility of controlling the company. The deconsolidation gain was €0.6 million and was recognized as other operating income. From now on, Impetus Agriculture, Inc. will be included as an associated company in the consolidated financial statements using the equity method.

The companies Pop Vriend Research B.V., Belami B.V., Pop Vriend Vegetables Seeds B.V., Pop Vriend Production B.V. and Pop Vriend Seeds USA B.V. were merged with Pop Vriend Seeds B.V. effective December 31, 2020. In addition, Chura B.V. was merged with Pop Vriend Holding B.V. (formerly Birika B.V.), likewise effective December 31, 2020.

The subsidiary KWS Vegetables Mexico S.A. de C.V. (Mexico) was founded on September 2, 2020, to enable the future establishment of vegetable seed breeding activities. In addition, the subsidiary Betaseed RUS LLC (Russia) was founded on November 23, 2020, to distribute sugarbeet seed.

No other companies were acquired or sold in the first half of fiscal 2020/2021.

## Segment Reporting

### Sales per segment

in € millions	Segment sales		Internal sales		External sales	
	1st half 2020/2021	1st half 2019/2020	1st half 2020/2021	1st half 2019/2020	1st half 2020/2021	1st half 2019/2020
Corn	131.8	133.4	0.0	0.0	131.8	133.4
Sugarbeet	43.1	27.9	0.0	0.0	43.1	27.9
Cereals	156.2	157.2	0.2	0.1	156.1	157.1
Vegetables	26.0	44.3	0.0	0.0	26.0	44.3
Corporate	3.9	2.9	0.3	0.4	3.6	2.5
<b>Segments acc. to management approach</b>	<b>361.2</b>	<b>365.7</b>	<b>0.5</b>	<b>0.5</b>	<b>360.7</b>	<b>365.2</b>
Elimination of equity-accounted financial assets					-34.7	-35.6
<b>Segments acc. to consolidated financial statements</b>					<b>326.0</b>	<b>329.6</b>

### Segment earnings

in € millions	2nd quarter of 2020/2021	2nd quarter of 2019/2020	1st half of 2020/2021	1st half of 2019/2020
Corn	-28.1	-30.8	-69.1	-68.2
Sugarbeet	-13.1	-17.8	-45.3	-46.3
Cereals	16.3	17.3	52.3	53.8
Vegetables	-5.4	-0.7	-8.7	2.3
Corporate	-17.1	-21.7	-39.1	-54.4
<b>Segments acc. to management approach</b>	<b>-47.4</b>	<b>-53.7</b>	<b>-109.9</b>	<b>-112.7</b>
Elimination of equity-accounted financial assets	4.7	3.9	16.7	20.8
<b>Segments acc. to consolidated financial statements</b>	<b>-42.7</b>	<b>-49.8</b>	<b>-93.2</b>	<b>-92.0</b>
Net financial income/expenses	-9.7	-5.2	-24.9	-27.4
<b>Earnings before taxes</b>	<b>-52.4</b>	<b>-55.0</b>	<b>-118.1</b>	<b>-119.4</b>

## Operating assets and operating liabilities per segment

in € millions	Operating assets		Operating liabilities	
	2020/2021	2019/2020	2020/2021	2019/2020
Corn	1,884.3	770.2	553.6	148.4
Sugarbeet	209.5	327.7	110.0	69.0
Cereals	125.1	147.4	68.5	23.6
Vegetables	3.6	509.7	0.0	19.8
Corporate	137.9	199.6	56.1	96.0
<b>Segments acc. to management approach</b>	<b>2,360.5</b>	<b>1,954.6</b>	<b>788.1</b>	<b>356.8</b>
Elimination of equity-accounted financial assets	-826.0	-239.1	-403.4	-38.4
<b>Segments acc. to consolidated financial statements</b>	<b>1,534.4</b>	<b>1,715.5</b>	<b>384.7</b>	<b>318.4</b>
Others	770.8	643.5	1,096.1	1,181.9
<b>KWS Group acc. to consolidated financial statements</b>	<b>2,305.2</b>	<b>2,359.0</b>	<b>1,480.8</b>	<b>1,500.3</b>

## Financial Instruments

The carrying amounts and fair values of the financial assets (financial instruments), split into the measurement categories in accordance with IFRS 9, are as follows:

### Carrying amounts and fair values of the financial assets at December 31, 2020

in € millions	Financial assets				
	Fair Values	Carrying amounts			
		At amortized cost	At fair value through other comprehensive income	At fair value through profit or loss	Total carrying amount
<b>Financial assets</b>					
Financial assets	6.2	0.0	6.2	0.0	6.2
Other noncurrent receivables	7.8	7.8	0.0	0.0	7.8
Trade payables	213.3	213.3	0.0	0.0	213.3
Cash and cash equivalents	221.0	221.0	0.0	0.0	221.0
Other current financial assets	29.4	28.6	0.0	0.8	29.4
Of which derivative financial instruments	0.8	0.0	0.0	0.8	0.8
<b>Total</b>	<b>477.6</b>	<b>470.7</b>	<b>6.2</b>	<b>0.8</b>	<b>477.6</b>

### Carrying amounts and fair values of the financial assets at June 30, 2020

in € millions	Financial assets				
	Fair Values			Carrying amounts	
		At amortized cost	At fair value through other comprehensive income	At fair value through profit or loss	Total carrying amount
<b>Financial assets</b>					
Financial assets	6.2	0.0	6.2	0.0	6.2
Other noncurrent liabilities	8.1	8.1	0.0	0.0	8.1
Trade receivables	432.6	432.6	0.0	0.0	432.6
Cash and cash equivalents	119.7	119.7	0.0	0.0	119.7
Other current financial assets	63.4	62.5	0.0	0.8	63.4
Of which derivative financial instruments	0.8	0.0	0.0	0.8	0.8
<b>Total</b>	<b>630.0</b>	<b>622.9</b>	<b>6.2</b>	<b>0.8</b>	<b>630.0</b>

The carrying amounts and fair values of the financial liabilities (financial instruments), split into the measurement categories in accordance with IFRS 9, are as follows:

### Carrying amounts and fair values of the financial liabilities at December 31, 2020

in € millions	Financial liabilities			
	Fair Values		Carrying amounts	
		At amortized cost	At fair value through profit or loss	Total carrying amount
<b>Financial liabilities</b>				
Long-term borrowings	505.3	505.8	0.0	505.8
Other noncurrent financial liabilities	0.2	0.0	0.2	0.2
Of which derivative financial instruments	0.2	0.0	0.2	0.2
Short-term financial liabilities	304.5	304.5	0.0	304.5
Short-term trade payables	150.8	150.8	0.0	150.8
Other current financial liabilities	6.0	3.5	2.6	6.0
Of which derivative financial instruments	2.6	0.0	2.6	2.6
<b>Total</b>	<b>966.8</b>	<b>964.5</b>	<b>2.8</b>	<b>967.3</b>



### Carrying amounts and fair values of the financial liabilities at June 30, 2020

in Mio. €	Financial liabilities			
	Fair Values		Carrying amounts	
		At amortized cost	At fair value through profit or loss	Total carrying amount
<b>Financial liabilities</b>				
Long-term borrowings	527.4	521.7	0.0	521.7
Other noncurrent financial liabilities	0.5	0.3	0.2	0.5
Of which derivative financial instruments	0.2	0.0	0.2	0.2
Short-term financial liabilities	93.7	93.7	0.0	93.7
Short-term trade payables	109.7	109.7	0.0	109.7
Other current financial liabilities	17.1	13.5	3.7	17.1
Of which derivative financial instruments	3.7	0.0	3.7	3.7
<b>Total</b>	<b>799.7</b>	<b>790.2</b>	<b>3.9</b>	<b>794.1</b>

The table below shows the financial assets and liabilities measured at fair value:

### Assets and liabilities measured at fair value

in Mio. €	December 31, 2020				June 30, 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Derivative financial instruments not part of a hedge under IFRS 9	0.0	0.8	0.0	0.8	0.0	0.8	0.0	0.8
Financial assets	0.0	6.2	0.0	6.2	0.0	6.2	0.0	6.2
<b>Financial assets</b>	<b>0.0</b>	<b>6.9</b>	<b>0.0</b>	<b>6.9</b>	<b>0.0</b>	<b>7.1</b>	<b>0.0</b>	<b>7.1</b>
Derivative financial instruments not part of a hedge under IFRS 9	0.0	2.8	0.0	2.8	0.0	3.9	0.0	3.9
<b>Financial liabilities</b>	<b>0.0</b>	<b>2.8</b>	<b>0.0</b>	<b>2.8</b>	<b>0.0</b>	<b>3.9</b>	<b>0.0</b>	<b>3.9</b>

## Related Parties

The related party disclosures under Other Notes in the section Notes for the KWS Group in the 2019/2020 Annual Report are essentially the same.

## Report on Events after the Balance Sheet Date

There were no events after December 31, 2020, that can be expected to have a significant impact on the KWS Group's earnings, financial position and assets.

## Declaration by Legal Representatives

We declare to the best of our knowledge that these interim consolidated financial statements give a true and fair view of the assets, financial position and earnings of the KWS Group in compliance with the accounting principles applicable to interim reporting, and that an accurate picture of the course of business, including business results, and the Group's situation is conveyed by the interim group management report, and that it describes the main opportunities and risks of the KWS Group's anticipated development.

Einbeck, February 2021  
**KWS SAAT SE & Co. KGaA**  
The Executive Board

Hagen Duenbostel



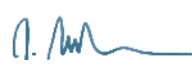
Felix Büchting



Léon Broers



Peter Hofmann



Eva Kienle



# Additional Disclosures

## Share

### Share data

KWS SAAT SE & Co. KGaA	
Securities identification number	707400
ISIN	DE0007074007
Stock exchange identifier	KWS
Transparency level	Prime Standard
Index	SDAX
Share class	Individual share certificates
Number of shares	33,000,000

## Financial Calendar

Date	
May 12, 2021	9M Report 2020/2021
October 20, 2021	Publication of the 2020/2021, annual statements, Annual Press Conference and Analysts' Conference
November 18, 2021	Q1 Report 2021/2022
December 2, 2021	Annual Shareholders' Meeting

## About this report

The financial report can be downloaded on our websites at [www.kws.de](http://www.kws.de) and [www.kws.com](http://www.kws.com). The KWS Group's fiscal year begins on July 1 and ends on June 30. Unless otherwise specified, figures in parentheses relate to the same period or date in the previous year. There may be rounding differences for percentages and numbers.

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## Safe Harbor Statement

This document contains forward-looking statements about future developments based on the current assessments of management. These forward-looking statements may be identified by words such as “forecast,” “assume,” “believe,” “assess,” “expect,” “intend,” “can/may/might,” “plan,” “should” or similar expressions. These statements are subject to certain elements of uncertainty, risks and other factors that may result in significant deviations between expectations and actual circumstances. Examples of such risks and factors are market risks (such as changes in the competitive environment or risks of changes in interest or exchange rates), product-related risks (such as production losses as a result of bad weather, failure of production plants or quality-related risks), political risks (such as changes in the regulatory environment, including those with regard to the general regulatory framework for the cultivation of energy plants, or violations of existing laws and regulations, for example those regarding genetically modified organisms in seed) and general economic risks. Forward-looking statements must therefore not be regarded as a guarantee or pledge that the developments or events they describe will actually occur. We do not intend, nor do we assume any obligation, to update or revise these forward-looking statements, since they are based solely on circumstances on the day they were published.

### Photo credits:

Marcel Bloemendaal

Date of publication: February 18, 2021

An English version of the Half-year financial report 2020/2021 is available at [www.kws.com/corp/en/company/investor-relations/financial-reports](http://www.kws.com/corp/en/company/investor-relations/financial-reports)