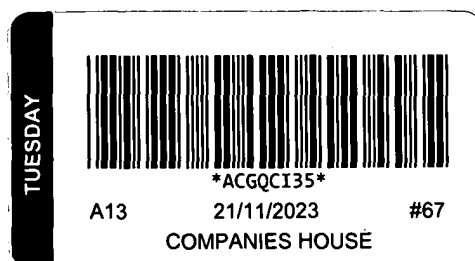


UPL Europe Ltd

Annual Report and Financial Statements Year Ended
31 March 2023

Company Number 02844616



UPL Europe Ltd
Company Information

Directors	B Dutia G De Gaillard
Company secretary	M J Kadam
Registered number	02844616
Registered office	The Engine Rooms Birchwood Park, Birchwood Warrington, Cheshire WA3 6YN
Independent auditor	MHA Chartered Accountants and Statutory Auditor 2 London Wall Place London EC2Y 5AU

UPL Europe Ltd
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UPL Europe Ltd
Strategic Report
For the Year Ended 31 March 2023

The directors present their strategic report together with the audited financial statements for the year ended 31 March 2023.

Business Model

UPL Europe Ltd ('UPL') is a crop protection company having its ultimate parent in India. The company being part of multinational group, has significant relevance within the group and holds investments in major subsidiaries in Europe and Americas. The company is backed by a team of motivated and experienced industry professionals. UPL's product portfolio comprises fungicides, herbicides, fumigants and speciality chemicals. UPL replenishes and rejuvenates its portfolio to address pest resistance to crop protection chemicals following extended use. UPL's investments in research and innovation has helped the company generate various patents and registrations across Europe.

Strategy

The company's strategic priorities are directed to create long-term value for its shareholders. The company aims for qualitative excellence, its products marked by superior efficacy out-perform its competition. The company enjoys a presence almost across all the crop protection chemical value-chain, from product development to registration to manufacturing to branding to distribution. The company capitalises on its parent company's manufacturing capacities that serve as raw materials for onward synthesis – a backward integration allowing the company to rationalise costs, streamline supply and standardise quality. The company combines existing molecules to deliver effective products that address pests and disease.

Financial Review

It has been a stable year. The turnover remained flat, despite the currency headwinds and cost inflation, driven by strong sales performance in all segments as volumes held up relatively well despite cost pressures and some further post-pandemic normalisation. Despite of the continuing rise in costs during Q1 to Q3 the company was not only able to sustain the margin but a pro-active monitoring of pricing helped in improving the margins year-on-year from 17.7% in FY22 to 19.5% in FY23. Accelerated sales of differentiated & sustainable solutions continue to be key for improvement in margins.

The company has restructured one of its investment in a subsidiary which redeemed part of its equity. The net working capital position which is largely influenced by advance given and taken has also been worked upon, the benefit of this would be noticed on the finance cost in the coming year. The company continues to invest in product development and Enhanced Open Innovation capability through investments in new field research stations in Shray Hills.

Financial key performance indicators

We assess our performance against a set of financial and non-financial metrics:

	2023	2022
	€ 000's	€ 000's
Turnover (€ Mn.)	106,914	106,326
Gross margin	19.5%	17.7%
Net equity (€ Mn.)	2,384,181	2,476,316

UPL Europe Ltd

Strategic Report (continued) For the Year Ended 31 March 2023

Principal risks and uncertainties

Irrespective of bullish and bearish markets, every corporate is always under the threat of unforeseen contingencies. At UPL, we recognise the impact of industry uncertainties and their outcomes. We leverage our long experience to engage in counter-measures that strengthen viability across verticals, products, geographies and market cycles.

Industry risk: Availability of inputs and increase in cost of inputs

Impact: Impact on margins and operating results

Mitigation measures: The company has entered into long term contracts assuring itself with supply of key active ingredients and better negotiations has helped the company to de-risk from any adverse impact on margins.

Product portfolio risk: Challenges in enhancing the Product portfolio

Impact: An unviable product portfolio could impact long-term sustainability.

Mitigation measures: The company created a portfolio of fungicides, herbicides and post-harvest solutions to stay relevant to the evolving needs of farmers. The company created a branded generic portfolio. The company's innovative products effectively address the evolving needs of farmers.

Margins risk: Reduction in profitability.

Impact: A decline in profitability could adversely impact the long-term sustainability of the company.

Mitigation measures: The company has always focused on profit maximisation. Even in difficult times, the company was able to maintain its margins. The company embarked on various cost optimisation initiatives, which helped strengthen profits. Leveraging on its parent company's manufacturing capacities, the company is able to mitigate this risk.

Financial risk: Foreign currency fluctuations and credit risk.

Impact: Forex losses could impact profitability while a lack of funding could hurt expansion plans.

Mitigation measures: The company works closely with group treasury to manage currency positions in USD, Euros and Japanese Yen, sometimes using the company's natural hedging of forex reserves, or may take out forward contracts to mitigate certain risks if considered necessary. The company has robust policies to select and monitor credit to customers, and works to keep any overdue debts to minimum levels. The majority of sales are backed by credit insurance cover as an additional safeguard. The company has facilities with BNP Paribas to take care of the short-term financial requirements of working capital in peak business season.

Expectations for the year to 31 March 2024

In FY 2024, our target is to deliver high single-digit growth in Europe, while planning to outgrow the market in the next five years, through launches of our high-margin, differentiated and sustainable solutions from our R&D pipeline and accelerated NPP BioSolutions growth, off-setting the continued impact caused by product bans in the EU. As the overall market continues to see an increase in the prices, with sustainable product costs the Company is expected to deliver expected results.

- Commodity prices on a favourable trend and expected to have a positive impact on demand
- We expect supply chain stabilisation and robust volumes for biosolutions
- Regulatory pressure expected to continue across Europe
- Increased focus to shift revenue mix to higher margin driven sustainable solutions, strengthening market approach related to new products, along with increased focus on R&D and on the establishment of services and digital tools to better serve farmers in select markets

Further details on the going concern basis of preparation of the financial statements are included in note 2.

UPL Europe Ltd

Strategic Report (continued) For the Year Ended 31 March 2023

Emissions Report

Business needs a healthy world

To create the change needed to counter the rapid warming and degradation of the environment, we have to overhaul the systems. As our activities impact the environment, mainly through the use of water, energy and land as well as the production of waste and greenhouse gas emissions taking action on these issues is not only the right thing to do – it also helps our business as consumers choose brands which align with their values and concerns.

As a group we are in the process of setting the environmental targets where we have tried to keep in mind wider value chain, including consumer use.

Tackling climate change

We're taking action across our value chain. We've made some improvements and progress in our own operations. Reducing emissions means reducing energy. We're now evaluating the option of using solar power.

The table below represents the company's energy use and associated GHG emissions from electricity and fuel in the UK for the year. The scope of this data includes Sandbach manufacturing site.

	2023
Energy Consumption	
Natural Gas (kWh)	358,682
Electricity (kWh)	974,390
Total Energy (kWh)	1,333,072
CO2 emissions	
Natural Gas (CO2e)	68
Electricity (CO2e)	421
Total CO2 emissions (CO2e)	489
Energy consumed per unit (litre) of production (kwh/lt)	0.119

Section 172 statement

We have identified several key stakeholders critical to our future success: consumers, our people, society, customers and shareholders.

Directors are responsible for weighing up the interests of stakeholders, with a view to ensuring long-term value creation and the continuity of the company. Under section 172 of the UK Companies Act 2006 ('Section 172') directors must act in the way that they consider, in good faith, would be most likely to promote the success of their company. In doing so, our directors must have regard to stakeholders and the other matters set out in Section 172.

UPL Europe Ltd

Strategic Report (continued) For the Year Ended 31 March 2023

Section 172 statement (continued)

The below paragraphs comprise our Section 172 statement, which describes how the directors have had regard to these matters when performing their duty. In light of our purpose and our strategy to create long-term value, our directors take steps to understand the needs and priorities of each stakeholder group and do so via a number of mediums, including by direct engagement or via their delegated committees and forums. The relevance of each stakeholder may change depending on the matter at hand. In line with the requirements below we provide a high-level summary of the concerns of our stakeholders and how our directors engaged with them and had regard to their interests when setting strategy and taking decisions concerning the business in 2023.

Consumers

Interest & Concerns

A good understanding of people's needs is critical to our long-term success. As the ultimate user of our products, consumers continue to look for quality products that are convenient and good value – and increasingly want more natural ingredients and less packaging and waste. We also know that brands that demonstrate a meaningful purpose create conversations and brand loyalty, particularly among younger generations.

How we engaged in 2023

Through various interactions through calls, emails, letters, social media, customer meetings, promotional campaigns and webchats. Executive Leadership members spoke directly to customers when visiting markets, and our leadership received regular updates and recommendations based on consumer insights.

Considerations and outcomes

Our Board members are regularly informed of consumer needs, preferences and concerns – and consider these when making decisions. The agenda for our leadership forum was shaped by values which have been defined under OpenAg, which not only value consumer's views are also based entirely on consumer insights. The findings from consumer surveys help us define and refine the unique purpose of our brands.

Our people

Without talented and committed employees, we could never deliver on our ambitions, interest and concerns.

Interests and concerns

Our employee surveys tell us that people tend to have a sense of personal purpose and believe they can live their purpose at work – helping them to go the extra mile. While most employees think we have the right strategy in place to win, they also want to see faster action and decision-making across the business. Our people would also like a continued push towards diversity, particularly at the most senior levels.

How we engaged in 2023

Our weekly Europe-wide circulation of employees events and forums, available in country specific languages, gives employees at all levels the chance to share views with line managers, colleagues and leadership.

Considerations and outcomes

Our Board discussed how best to nurture a more flexible, agile culture. We also held a series of meetings with a cross-section of employees, where management members talk about important topics from the survey. In 2023, there were meetings to discuss on talent development and sustainability. 2023 has been a difficult year on performance, conscious of the same the management has engaged with the teams to make sure that the teams are aligned with the objectives and extend their support.

UPL Europe Ltd

Strategic Report (continued) For the Year Ended 31 March 2023

Society

We depend on people and communities all over the world to help source, make and sell our products.

Interests and concerns

Equality and inclusion, human rights within our operations and supply chain, and health and wellbeing are important issues for our stakeholders. Water scarcity and climate change are also challenges for many people in developing and emerging markets – reflecting the interconnectivity between the environment and society.

How we engaged in 2023

Our group and leadership engage with NGOs and policymakers to drive system change. Our Board members, each own relationships and advocacy around key issues. Our offerings include environment-friendly and sustainable pest and disease solutions that ensure better crop protection through use of naturally-derived substances. Our BioProtection solutions not only provide improved pest and disease control but facilitate pest resistance and chemical residue management for improved harvested crop yield, quality and grower profitability.

Considerations and outcomes

Abiding by our philosophy of 'Doing things better', we believe in the sustainable growth of communities. The group has set up a CSR Committee comprising two Directors. The Committee is the foundation of all our CSR programmes, right from making the blueprints to executing them.

Customers

We depend on many types of retail partners all around the world to sell our products.

Interests and concerns

Our larger distributors are looking to become more competitive and are enrolling for loyalty programs which were rolled out in earlier years and are intended to continue in near future.

Retailers want products that are suitable for each their channel. They also want more sustainable products that will help them differentiate their offering.

How we engaged in 2023

Our larger retail partners have direct channels into us. We actively manage these relationships through our specialist Customer Development team. During the year we discussed a range of sustainability issues with our customers. Through various customer surveys, we receive direct feedback from the to help improve our offerings to them.

Considerations and outcomes

As a group in a number of markets, such as India and France, we have introduced smartphone apps so that small retailers can place product orders directly – and we are refining these based on user needs. In response to customer feedback, we have introduced retail programmes. We are also designing products appropriate for each channel, which will help our customers differentiate themselves. The applications are being evaluated for UK markets and planned to be implemented soon.

Shareholders

As owners of our company and providers of capital, shareholders are instrumental to our growth.

Interests and concerns

As well as ongoing interest in our performance and growth, we've been having conversations with shareholders around our acquisitions and disposals strategy, our corporate structure, capital allocation.

How we engaged in 2023

Being part of the larger group, we are governed and monitored by the Global Functional leaders and key management team members from the Global teams. There are various meetings with functional team members to hear, discuss and align with the global objectives.

Considerations and outcomes

Shareholder feedback – particularly around dividends, our merger and acquisitions strategy and our corporate structure – forms a part of boardroom conversations.

This report was approved by the board on and signed on its behalf.



G De Gaillard—

Director

13 July 2023

UPL Europe Ltd

Directors' Report For the Year Ended 31 March 2023

The directors present their report together with the audited financial statements for the year ended 31 March 2023.

Results and dividends

The profit for the year, after taxation, amounted to €57,184K (2022 - profit €280,270K). A detailed review is set out in the strategic report. During the year dividends of € 155,156K were paid (2022 - €Nil).

Directors

The directors who served during the year were:

B Dutia
G De Gaillard

Going concern

Although the pandemic continued through the year, the company's operations being classified as one of the essential industry the operations continued as normal. The financial cash flows during the year remained stable and the customers, distributors and market remained stable as well.

All the company's products are primarily produced in UPL plants located in UK, Netherlands, Belgium and France. Because there are seasonal sales the company has ordered the inputs timely based on historical demand. Currently, there is no shortage in supply and the factories are producing based on regular demand/supply. The demand and supply are anticipated to continue normal apart from where there are no governmental restrictions on agricultural activities. The forecasted cash flows are strong given that the regular business operations remain healthy.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The company has received a letter of support from one of its parent company, UPL Corporation Limited, stating its intention to support the company for a period of at least 12 months from the approval of financial statements for the year-ended 31 March 2023.

Research and development activities

During the year the company incurred research and development costs of €15,552K (2022 - €19,165K). These costs are charged to the statement of comprehensive income in the year of expenditure.

Political contributions

The company has made no political contributions during the year (2022 - €Nil).

Events since the end of the year

Subsequent to the year end the company's subsidiary UPL Global Limited has redesignated its existing class of cumulative redeemable preference shares in the capital of the company as "A Preference Shares" and has provided for a new class of cumulative redeemable preference shares of \$1 each in the capital of the company ("B Preference Shares").

On 1 April 2023 the outstanding loan between the company and its subsidiary, UPL Global Ltd, was converted into "B Preference Shares" in the capital of the subsidiary. The subsidiary has allotted 985,833,384 "B Preference Shares" to the Company for an aggregate subscription price of \$985,833,334

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, MHA, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Following a rebranding exercise on 15 May 2023 the trading name of the company's independent auditor changed from MHA MacIntyre Hudson to MHA.

This report was approved by the board on and signed on its behalf.


G De Gaillard

Director

13 July 2023

UPL Europe Ltd

Directors' Responsibilities Statement For the Year Ended 31 March 2023

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

UPL Europe Ltd

Independent Auditor's Report to the Members of UPL Europe Ltd

Opinion on the financial statements

We have audited the financial statements of UPL Europe Limited (the 'Company') for the year ended 31 March 2023, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards 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 ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

UPL Europe Ltd

Independent Auditor's Report to the Members of UPL Europe Ltd

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made.
- certain disclosures of directors' remuneration specified by law are not made.
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have 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 (UK) 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.

Irregularities, including fraud, are instances of non compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual or potential litigation and claims;
- Performing audit work over risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with law and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

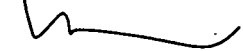
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

UPL Europe Ltd

Independent Auditor's Report to the Members of UPL Europe Ltd

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Yogan Patel FCA (Senior Statutory Auditor)

For and on behalf of

MHA

Chartered Accountants and Statutory Auditors

London United, Kingdom

Date: 14 July 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

UPL Europe Ltd

Statement of Comprehensive Income For the Year Ended 31 March 2023

		2023	2022
	Note	€ 000	€ 000
Turnover	4	106,914	106,326
Cost of sales		<u>(86,063)</u>	<u>(87,531)</u>
Gross profit		20,851	18,795
Administrative expenses		(41,980)	(43,517)
Impairment of investment & intercompany receivables	14	(2,311)	(71,889)
Other operating income	5	<u>108,077</u>	<u>393,915</u>
Operating profit	6	84,637	297,305
Interest receivable and similar income	9	56,987	67,195
Interest payable and similar charges	10	<u>(96,104)</u>	<u>(84,932)</u>
		45,520	279,567
Profit before taxation			
Tax on profit	11	<u>11,664</u>	<u>702</u>
Profit for the financial year		<u>57,184</u>	<u>280,270</u>

There were no recognised gains and losses for 2023 or 2022 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2023 (2022: EUR nil)

The notes on pages 15 to 28 form part of these financial statements.

UPL Europe Ltd
Registered number: 02844616

Balance Sheet As at 31 March 2023

		2023	2023	2022	2022
	Note	€ 000	€ 000	€ 000	€ 000
Fixed assets					
Intangible assets	12		-		-
Tangible assets	13		10,950		10,056
Investments	14		2,786,589		3,750,808
			<u>2,797,539</u>		<u>3,760,864</u>
Current assets					
Stocks	15	33,179		42,491	
Debtors: amounts falling due after more than one year	16	1,138,368		259,500	
Debtors: amounts falling due within one year	16	544,265		516,695	
Cash at bank and in hand		<u>58,104</u>		<u>17,038</u>	
		<u>1,773,916</u>		<u>835,723</u>	
Creditors: amounts falling due within one year	18	(495,130)		(892,066)	
Net current assets / (liabilities)			<u>1,278,786</u>		<u>(56,343)</u>
Total assets less current liabilities			<u>4,076,325</u>		<u>3,704,522</u>
Creditors: amounts falling due after more than one year	19		(1,703,520)		(1,227,818)
Deferred tax Provision	21		11,376		(388)
Net assets			<u>2,384,181</u>		<u>2,476,316</u>
Capital and reserves					
Called up share capital	22		1,976,843		1,971,006
Share premium account	23		84,665		84,665
Profit and loss account	23		322,673		420,645
Total equity			<u>2,384,181</u>		<u>2,476,316</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13th July 2023


G De Gaillard
Director

The notes on pages 15 to 28 form part of these financial statements.

UPL Europe Ltd

Statement of Changes in Equity For the Year Ended 31 March 2023

	Called up share capital € 000	Share premium account € 000	Profit and loss account € 000	Total equity € 000
At 1 April 2022	1,971,006	84,665	420,645	2,476,316
Comprehensive profit for the year				
Profit for the year	-	-	57,184	57,184
Total comprehensive profit for the year	<u>1,971,006</u>	<u>84,665</u>	<u>477,829</u>	<u>2,533,500</u>
Shares issued during the year	5,837	-	-	5,837
Dividend	-	-	(155,156)	(155,156)
At 31 March 2023	<u>1,976,843</u>	<u>84,665</u>	<u>322,673</u>	<u>2,384,181</u>

Statement of Changes in Equity For the Year Ended 31 March 2022

	Called up share capital € 000	Share premium account € 000	Profit and loss account € 000	Total equity € 000
At 1 April 2021 (Restated)	962,107	84,665	140,375	1,187,147
Comprehensive profit for the year				
Profit for the year	-	-	280,270	280,270
Total comprehensive profit for the year	<u>962,107</u>	<u>84,665</u>	<u>420,645</u>	<u>1,467,417</u>
Shares issued during the year	1,008,899	-	-	1,008,899
At 31 March 2022	<u>1,971,006</u>	<u>84,665</u>	<u>420,645</u>	<u>2,476,316</u>

The notes on pages 15 to 28 form part of these financial statements.

UPL Europe Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

1. General information

UPL Europe Ltd is a company limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office is shown on the company information page. The nature of the company's operations and its principal activities are outlined in the strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The presentational and functional currency of these financial statements is EUR. Values are rounded to the nearest thousand.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of UPL Corporation Limited, Mauritius as at 31 March 2023 and these financial statements may be obtained from Companies House, where they are filed along with the statutory accounts of the company.

2.3 Going concern

The company's operations being classified as one of the essential industry the operations continued as normal. The financial cash flows during the year remained stable and the business with customers, distributors and market remained stable as well.

As the company's products are primarily produced in UPL plants located in UK, Netherlands, Belgium and France. Because there are seasonal sales the company has ordered timely based on historical demand. Currently, there is no shortage in supply and the factories are producing based on regular demand/supply. The demand and supply are anticipated to continue normal apart from where there are no governmental restrictions on agricultural activities. The forecasted cash flow are strong given that the regular business operations remain healthy.

Our business model is very much inter-connected. The majority of the supply chain is located in India and India is the ultimate holding company of all the 200 + international subsidiaries. We do have a good track record of profit and positive cashflows for several years. Apart from these as on 31 March 2023 the parent entity has more than sufficient cash balance and has an access to undrawn credit lines. The UPL group has a strong financial position and is one of the leading companies worldwide in the area of agricultural crop protection products.

The company has prepared cash flow forecasts and these forecasts show significant headroom in facilities, given the relatively low fixed costs of the company. Furthermore, the company has access to credit facilities with Bank of America for working capital purposes if required. The directors see no reasons at this time that the facilities will not be renewed when required.

Based on the above the directors have the reasonable expectation that the company has adequate financial resources to continue in operation for the foreseeable future, and as such the accounts have been prepared on the going concern basis.

UPL Europe Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

2 Accounting policies (continued)

2.4 Consolidated financial statements

The financial statements contain information about UPL Europe Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by section 401 of the Companies Act 2006. The immediate parent company is UPL Corporation Limited, a company incorporated in Mauritius. The consolidated financial statements of UPL Corporation Limited (Mauritius) are filed with Companies House along with the statutory financial statements of the company.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.6 Intangible assets

Intangible assets are product registrations arising through acquisitions, which are initially recognised at cost. At recognition, under the cost model, intangible assets are measured at cost less amortisation and any accumulated impairment losses. Product registrations recognised as intangible assets are amortised over 5 to 15 years.

2.7 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Freehold properties	- 50 years
Plant and machinery, Furniture, Fixtures & Fittings, Computer Equipment	- 4 - 16 years
Motor vehicles	- 5 years

Long term leasehold property is not depreciated as this related to land acquired for future development.

Land is not depreciated.

Assets under construction are not depreciated as these assets are not yet available for use in the operations by the Company

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

UPL Europe Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

2 Accounting policies (continued)

2.8 Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

2.9 Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

1. the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
2. potential voting rights held by the Company, other vote holders or other parties;
3. rights arising from other contractual arrangements; and

4. any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at cost, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment. The company has factoring facility with bank, in lieu of this the debtors which are sold to the bank on non-recourse basis are derecognised from the Balance Sheet.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out right short term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

UPL Europe Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

2 Accounting policies (continued)

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at cost, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Euro at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income

2.16 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.17 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

UPL Europe Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

2 Accounting policies (continued)

2.18 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.19 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

2.20 Preference shares

Preference shares are presented as equity where the company has no contractual obligation to deliver cash to the holder of the instruments.

2.21 Research and development

Research and development is written off to the statement of comprehensive income in the year in which it is incurred.

2.22 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements and estimates:

- Determine whether there are indicators of impairment of the company's tangible fixed assets, intangible assets and investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit the viability and expected future performance of that unit.
- Determine whether there are any indicators of impairment of the company's receivables. Factors taken into consideration in reaching such a decision include economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine the condition of its inventories and makes provision against obsolete and slowmoving inventory items which are identified as no longer suitable for sale or use. Company estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items.

UPL Europe Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

4. Turnover

	2,023 € 000	2,022 € 000
Sales of goods	<u>106,914</u>	<u>106,326</u>
The whole of the turnover is attributable to the principal activity of the company. Analysis of turnover by country of destination:		
	2,023 € 000	2,022 € 000
United Kingdom	43,667	42,316
Rest of Europe	53,250	60,655
Rest of the World	9,997	3,355
	<u>106,914</u>	<u>106,326</u>

5. Other operating income

	2,023 € 000	2,022 € 000
Other income	80,496	371,093
Management Fee (Net)	27,581	22,822
	<u>108,077</u>	<u>393,915</u>

Included in other operating income are dividends received from subsidiaries amounting to €80,169K (2022 €369,685K)
Management Fee income received during the year of € 56,780K (2022 €68,845K) is net of against management fee expense of €29,199K (2022 € 46,023K)
as the expenses are charges from various group companies which are fully recharged to subsidiaries of this Company

UPL Europe Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

6. Operating profit

The operating profit is stated after charging:

	2023 € 000	2022 € 000
Research & development charged as an expense	15,552	19,165
Depreciation of fixed assets	865	277
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	85	58
Exchange differences	(2,626)	21
Defined contribution pension costs	442	428

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2023 € 000	2022 € 000
Wages and salaries	13,029	10,387
Social security costs	1,984	977
Defined contribution pension costs	442	428
	<u>15,455</u>	<u>11,792</u>

7 Employees (continued)

The average monthly number of employees, including the directors, during the year was as follows:

	2023 No.	2022 No.
Production	30	26
Distribution	17	14
Administration	67	72
	<u>114</u>	<u>112</u>

8 Directors' remuneration

	2023 € 000	2022 € 000
Directors' emoluments	254	220
Company contributions to defined contribution pension schemes	15	13
	<u>269</u>	<u>233</u>

The total amount payable to the highest paid director in respect of emoluments was €254K (2022 - €220K).

Company pension contributions of €15K (2021 - €13K) were made to a money purchase scheme on their behalf.

The number of directors accruing retirement benefits in the pension scheme of the company is 1 (2022 - 1).

UPL Europe Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

9. Interest receivable and similar income

	2023 € 000	2022 € 000
Interest receivable from group companies	56,747	67,187
Interest receivable from Others	240	8
	<u>56,987</u>	<u>67,195</u>

10. Interest payable and similar charges

	2023 € 000	2022 € 000
Bank interest payable	684	310
Loan interest payable to group companies	67,125	81,764
Foreign exchange losses	28,295	2,858
	<u>96,104</u>	<u>84,932</u>

11. Taxation

	2023 € 000	2022 € 000
Corporation tax		
Current tax on profits for the year	101	306
Adjustments in respect of previous periods	-	(263)
	<u>101</u>	<u>43</u>
Deferred tax		
Origination and reversal of timing differences	(8,952)	150
Adjustments in respect of previous periods	(2,813)	(895)
Total deferred tax	<u>(11,765)</u>	<u>(745)</u>
Taxation on loss on ordinary activities	<u>(11,664)</u>	<u>(702)</u>

UPL Europe Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

11 Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - lower than) the standard rate of corporation tax in the UK of 19% (2022 - 19%).

The differences are explained below:

	2023 € 000	2022 € 000
Profit on ordinary activities before tax	45,520	279,567
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	8,649	53,118
Effects of:		
Expenses not deductible	110	296
Expenses not deductible - Investment impairment	400	13,178
Non-taxable income	(20,576)	(70,240)
Foreign Exchange movement disregarded for tax	(2,768)	71
Foreign tax suffered	82	-
Enhanced deduction on capital expenditure	(66)	-
Losses and other temporary differences where deferred tax not recognised	6,460	-
Group relief suffered	1,031	4,033
Deferred tax recognised at higher rate	(2,173)	-
Adjustments in respect of previous periods	(2,813)	(1,158)
Total tax (credit)/charge for the year	(11,664)	(702)

Factors that may affect future tax charges

An increase in the UK Corporation tax rate from 19% to 25% (effective from 1st April 2023) has been substantively enacted. This will affect company's future tax charge accordingly. The value of deferred tax asset/liability recognised has been calculated using the applicable rate when the asset/liability is expected to be realised.

12 Intangible assets

	Product registrations	Total
	€ 000	€ 000
Cost		
At 1 April 2022	9,617	9,617
At 31 March 2023	9,617	9,617
Amortisation		
At 1 April 2022	9,617	9,617
At 31 March 2023	9,617	9,617
Net book value		
At 31 March 2023	-	-
At 31 March 2022	-	-

UPL Europe Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

13 Tangible fixed assets

	Freehold properties	Land	Plant and machinery	Furniture & Fixtures, Computer Equipment	Motor vehicles	Assets under construction	Total
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
Cost							
At 1 April 2022	930	2,863	7,963	2,722	60	2,844	17,382
Additions	726	-	559	473	-	-	1,759
Transfers	2,664	-	163	17	-	(2,844)	-
At 31 March 2023	<u>4,320</u>	<u>2,863</u>	<u>8,686</u>	<u>3,212</u>	<u>60</u>	<u>-</u>	<u>19,141</u>
Depreciation							
At 1 April 2022	521	-	6,390	369	47	-	7,326
Charge the year	301	-	450	101	14	-	865
At 31 March 2023	<u>822</u>	<u>-</u>	<u>6,840</u>	<u>470</u>	<u>60</u>	<u>-</u>	<u>8,191</u>
Net book value							
At 31 March 2023	<u>3,498</u>	<u>2,863</u>	<u>1,846</u>	<u>2,743</u>	<u>-</u>	<u>-</u>	<u>10,950</u>
At 31 March 2022	<u>409</u>	<u>2,863</u>	<u>1,573</u>	<u>2,353</u>	<u>14</u>	<u>2,844</u>	<u>10,056</u>

14 Fixed asset investments

	Investments in subsidiary companies	Investments in associate company	Investments in subsidiary companies
	€ 000	€ 000	€ 000
Cost			
At 1 April 2022	4,161,684	1,250	4,162,934
Additions	39,271	-	39,271
Disposals	(1,002,241)	-	(1,002,241)
At 31 March 2022	<u>3,198,714</u>	<u>1,250</u>	<u>3,199,964</u>
Impairment			
At 1 April 2022	412,125	-	412,125
Impairment	-	1,250	1,250
At 31 March 2023	<u>412,125</u>	<u>1,250</u>	<u>413,375</u>
Net book value			
At 31 March 2023	<u>2,786,588</u>	<u>-</u>	<u>2,786,588</u>
At 31 March 2022	<u>3,749,558</u>	<u>1,250</u>	<u>3,750,808</u>

The impairment relates to investment in Pixofarm GmbH for €1,250K, apart from which loan given to Pixofarm for €850K and Telesense for €211K have been impaired during the year.

UPL Europe Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

14. Fixed asset investments (continued)

Subsidiaries	Country of incorporation	Holding	Registered address
UPL NA Inc.	USA	100%	Freedom Business Center, Suite 402, King of Prussia, PA19406, USA
Arysta LifeScience SPC, LLC	USA	100%	401 Merritt 7, Norwalk, CT 06851, USA
UPL Global Limited	UK	100%	Eversheds House, 70 Great Bridgewater Street, Manchester, United Kingdom, M1 3ES
United Phosphorus Global Services Limited Company	Ireland	100%	38 Fitzwilliam Square West, Dublin, Dublin 2, Ireland
Limited Liability Company "UPL"	Russia	100%	Bolshaya Sukharevskaya Square, 16 / 18s1, 3entrance, 4th floor, office 25 107045, Moscow, Russian Federation.
Cerexagri S A S	France	100%	Energy Park-Bât.4-132-190, Boulevard de Verdun, 92400 Courbevoie, France
UPL Slovakia S.R.O	Slovakia	100%	Komarnanska Ulica, 940 76 Nove Zamky, Slovakia
UPL Agricultural Solutions Romania SRL	Romania	100%	Strada Izvor nr. 92-96, etaj 4, 050562 Bucharest, Romania
United Phosphorus Polska Sp.z o.o - Poland	Poland	100%	UPL Polska Sp. z o.o., ul. Na PzeajS, 03- 092, Warszawa, Poland
Arysta LifeScience (Mauritius) Ltd	Mauritius	100%	Medine Business Park, Riviere-Noi Bambou, Ebene, 90203, Mauritius
UPL Agrosolutions Canada Inc	Canada	96.09%	Fasken Martineau DuMoulin LLP 550 Burrard Street, Suite 2900 Vancouver, British Columbia V6C 0A3, Canada
UPL Japan GK	Japan	95.25%	38th Floor, St Luke's Tower, 8-1 Akashi- Cho, Chuo- Ku, Tokyo 104-6591, Japan
UPL Vietnam Co. Ltd	Vietnam	91.74%	Amata Road, Long Binh Ip(Amata), Bien Hoa City Dong Nai, 81000, Vietnam
Associate			
Pixofarm GmbH	Austria	36.00%	Donau-City-StraBe 6/2.OG/1, 1220 Vienna, Austria

Below listed affiliates are classified as subsidiaries based on the control:

The Company holds listed % directly in below listed subsidiary, the remaining holding percentage are held indirectly through the Company's other subsidiaries in which it holds 100% of share capital. Accordingly, below listed subsidiary is considered as a subsidiary for the year-ended 31 March 2023.

UPL SL Argentina S.A. (FKA Icona Sanluis S A - Argentina)	Argentina	2.99%	UPL Argentina SA, 1342 Viamonte St., 3rdFloor, CABA (1053), Argentina
UPL Agro SA de CV	Mexico	3.96%	Insurgentes Sur No. 1722 Piso 9 Col. Florida Deleg. Alvaro Obregon Mexico D.F. C.P. 01030 Mexico
UPL Colombia SAS	Columbia	5.53%	UPL Colombia SAS, KRA 1 No.4 – 02 Parque Industrial, K2 Chia, Cundinamarca, Colombia

The investment in Associate, Pixofarm GmbH has been impaired.

15. Stocks

	2023 € 000	2022 € 000
Raw materials and consumables	11,117	15,951
Finished goods and goods for resale	22,062	26,539
	33,179	42,491

Stock recognised in cost of sales during the year as an expense was €86,063K (2022 - €87,531K).

Stock is stated net of a provision of €1,464K (2022 - €1,544K).

There is no material difference between the replacement cost of stock and the amounts stated above.

UPL Europe Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

16. Debtors

	2023 € 000	2022 € 000
Due after more than one year		
Amounts owed by group undertakings - loan	<u>1,138,368</u>	<u>259,500</u>
Due within one year		
Trade debtors	7,505	7,819
Amounts owed by group undertakings - trade	154,993	101,318
Amounts owed by group undertakings - loan	380,325	406,432
Other debtors	1,105	934
Prepayments and accrued income	239	98
Tax recoverable	99	93
	<u>544,265</u>	<u>516,695</u>

All amounts shown under debtors fall due within one year, except for loans totalling €1,138,368K (2022: 259,500K) due from UPL Global Limited, UPL Japan GK and UPL Australia PTY, which are due for repayment within 5 years. The loans are interest bearing and held at cost.

The Company has a facility with BNP Paribas which allows it to sell its receivables on a non-recourse basis, BNP Paribas carries the credit risk in respect the receivables purchased by them.

17. Financial instruments

	2023 € 000	2022 € 000
Financial assets		
Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio	<u>33</u>	<u>329</u>
Financial liabilities		
Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio	<u>563</u>	<u>521</u>

Financial assets and liabilities measured at fair value through profit or loss comprise forward derivative contracts.

The Group enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency transactions payables.

At 31 March 2023, the outstanding contracts all mature within 12 months (2022 /: 12 months) of the year end.

The Company has committed to sell \$20 mn into EUR within these 12 months.

The Company has committed to buy £5mn, JPY2,693mn, \$3 mn with EUR within the 12 months.

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs.

The key inputs used in valuing the derivatives are the forward exchanges rates for GBP:EUR, JPY:EUR, USD:EUR

The fair value of the forward foreign currency contracts which are classified as an asset is € 33K (2022 : € 329K)

The fair value of the forward foreign currency contracts which are classified as an liability is € 563K (2021 : € 521K)

UPL Europe Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

18. Creditors: amounts falling due within one year

	2023	2022
	€ 000	€ 000
Trade creditors	4,654	7,357
Amounts owed to group undertakings - trade	110,295	77,490
Amounts owed to group undertakings - loan	373,471	800,766
Other taxation and social security	695	268
Other creditors	354	284
Other loans	-	2,253
Advance From Customers	175	-
Lease Liabilities	-	188
Accruals	5,485	3,460
	495,130	892,066

19. Creditors: amounts falling due after more than one year

	2023	2022
	€ 000	€ 000
Amounts owed to group undertakings - loan	1,703,520	1,227,818
	1,703,520	1,227,818

Creditors includes Unsecured loan notes which have been issued in JPY and EUR currencies in the favour of UPL Corporation Ltd. and these are listed on TISE.

First Yen note instrument Certificate No 1. is issued for JPY 33,240,000,000 carrying interest rate of 4% and these are due by 2031

Second Yen note instrument Certificate No 2. is issued for JPY 11,060,000,000 carrying interest rate of 4% and these are due by 2033

First Euro note instrument Certificate No 4. is issued for € 104,698,822 carrying interest rate of 2.75% and these are due by 2029

Second Euro note instrument Certificate No 5. is issued for € 17,900,000 carrying interest rate of 2.75% and these are due by 2029

USD note instrument Certificate No 1. is issued for \$ 878,171,746 carrying interest rate of 5.01% and these are due by 2029

20. Loans

Analysis of the maturity of loans is given below:

	2023	2022
	€ 000	€ 000
Amounts falling due within one year		
Amounts owed to group undertakings - loan	373,471	800,766
Other loans	-	2,253
Amounts falling due 2-5 years		
Amounts owed to group undertakings - loan	1,703,520	1,227,818
	2,076,991	2,030,837

Other loans are unsecured. Interest is payable on other loans at 2% per annum.

Amounts owed to group undertakings are interest bearing and repayable between 2023 and 2029.

UPL Europe Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

21. Deferred taxation

	2023 € 000	2022 € 000
At 1st April 2022	388	1,133
Impact of change in tax rate from 19% to 25%	-	75
Transfer to the profit or loss	(11,764)	(820)
At 31st March 2023	<u>(11,376)</u>	<u>388</u>

The deferred taxation balance is made up as follows:

	2023 € 000	2022 € 000
Accelerated capital allowances	(1,064)	(488)
Short term timing differences	85	100
Losses and other deductions	12,355	-
	<u>11,376</u>	<u>(388)</u>

At the Balance Sheet date, the company has additional unused tax losses in relation to the corporate interest restriction of €53,400K [2022 :€ Nil] on which no Deferred Tax asset has been recognised as it is not considered probable that it will reverse.

22. Share capital

	2023 € 000	2022 € 000
Allotted, called up and fully paid		
19,812,277 (2022 : 19,812,277) preference shares of £1 each presented in Euros	19,812	19,812
1,675,289,993 (2022 : 1,670,329,165) ordinary shares of £1 each presented in Euros	<u>1,957,031</u>	<u>1,951,194</u>
	<u>1,976,843</u>	<u>1,971,006</u>

The preference shares are redeemable at the option of the company.

There are no voting rights associated with the preference shares.

If in so far in the opinion of the directors, a dividend should be declared, the preference shares may receive priority up to a rate of 3% on the amounts paid up.

On the occasion of winding up, the preference shareholders will be priority up to the capital paid up.

During the year, 4,960,828 (2022 - 836,522,875) ordinary shares were issued at a nominal value of £1 for a total consideration of €5,837K (2021 - €1,008,899K).

UPL Europe Ltd

Notes to the Financial Statements For the Year Ended 31 March 2023

23. Reserves

The company's reserves are as follows:

Share premium account

Share premium represents the amount above the nominal value received for the shares sold.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

24. Capital and other commitments, contingent liabilities and contingent assets

The company has given a guarantee to Societe Generale for €7,400K (2022 - €7,400K) in favour of Cerexagri SA. The balance as at 31 March 2023 owed to Cerexagri SA by Societe Generale was €1,865K (2022 - €426K).

25. Pension commitments

The UPL Group Personal Pension is a defined contribution pension scheme. Contributions to the scheme amounted to €442K during the year (2022 - €428K). At 31 March 2021 the amount outstanding in relation to pension contributions is € Nil (2022 - € Nil).

The assets of the scheme are held separately from those of the company.

26. Commitments under operating leases

At 31 March 2023 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023	2022
	€ 000	€ 000
Not later than 1 year	1,196	166
Later than 1 year and not later than 5 years	6,329	1,764
Later than 5 year	561	6,051
	<u>8,086</u>	<u>7,981</u>

27. Ultimate parent company and parent undertaking of a larger group

The directors regard UPL Corporation Limited a company incorporated in Mauritius, as the immediate parent company. UPL Limited prepares group financial statements and copies are filed at Companies House. The directors regard UPL Limited, a company incorporated in India, as the ultimate parent company and the ultimate controlling party.

As a subsidiary undertaking of UPL Limited the company has taken advantage of the exemption in Section 33.1A of FRS102, from disclosing transactions with other members of the group headed by UPL Limited.

The directors are considered to be the key management personnel. See note 8 for details of the total compensation paid to key management personnel for services provided to the company.