Graff Breeding A/S

Viborgvej 717, 8471 Sabro

Company reg. no. 29 20 85 65

Annual report

1 October 2023 - 30 September 2024

The annual report was submitted and approved by the general meeting on the 8 January 2025.

Kristian Skriver Laustsen
Chairman of the meeting

Notes:

- *To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.*
- *Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.*

Contents

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Graff Breeding A/S for the financial year 1 October 2023 - 30 September 2024.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 September 2024 and of the results of the Company's operations for the financial year 1 October 2023 – 30 September 2024.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Sabro, 8 January 2025

Managing Director

Jacob Graff

Board of directors

Kristian Skriver Laustsen   Søren Offer Viskum Madsen   Gert Graff

To the Shareholder of Graff Breeding A/S

Conclusion

We have performed an extended review of the financial statements of Graff Breeding A/S for the financial year 1 October 2023 - 30 September 2024, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 30 September 2024 and of the results of the Company's operations for the financial year 1 October 2023 - 30 September 2024 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Practitioner's responsibilities for the extended review of the Financial Statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Statement on the Management's Review

Management is responsible for the Management's Review.

Our conclusion on the financial statements does not cover the Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements, our responsibility is to read the Management's Review and, in doing so, consider whether the Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's Review provides the information required under the Danish Financial Statements Act.

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

Aarhus, 8 January 2025

Redmark
Godkendt Revisionspartnerselskab
Company reg. no. 29 44 27 89

Morten Ryberg Nielsen
State Authorised Public Accountant
mne33221

Company information

The company	Graff Breeding A/S Viborgvej 717 8471 Sabro	
	Phone	87 45 33 30
	Fax	86 24 24 80
	Company reg. no.	29 20 85 65
	Established:	*7 December 2005*
	Domicile:	*Aarhus*
	Financial year:	*1 October - 30 September*
Board of directors	Kristian Skriver Laustsen Søren Offer Viskum Madsen Gert Graff	
Managing Director	Jacob Graff	
Auditors	Redmark Godkendt Revisionspartnerselskab Sommervej 31C 8210 Aarhus V	
Bankers	Nordea Danmark	

Description of key activities of the company

The company's main activity consists in the research, development and breeding of flowers and plants.

Significant changes in the company's activities and financial matters

The gross profit for the year totals DKK 7.014.951 against DKK 6.072.543 last year. Income or loss from ordinary activities after tax totals DKK 811.745 against DKK 244.426 last year. Management considers the net profit or loss for the year satisfactory.

Expected developments

The company continues to view the earnings and liquidity development positively.

Events occurring after the end of the financial year

There have been no events after the end of the financial year that could upset the company financial position significantly.

Income statement 1 October - 30 September

All amounts in DKK.

Note		2023/24	2022/23
	Gross profit	**7.014.951**	**6.072.543**
1	*Staff costs*	-5.999.000	-5.751.454
	Depreciation and impairment of property, plant, and equipment	-16.665	-91.742
	Other operating expenses	-12.972	0
	Operating profit	**986.314**	**229.347**
	Other financial income	110.352	63.472
2	*Other financial costs*	-18.897	-20.043
	Pre-tax net profit or loss	**1.077.769**	**272.776**
	Tax on net profit or loss for the year	-266.024	-28.350
	Net profit or loss for the year	**811.745**	**244.426**
	Proposed distribution of net profit:		
	Dividend for the financial year	500.000	190.500
	Transferred to retained earnings	311.745	53.926
	Total allocations and transfers	**811.745**	**244.426**

Balance sheet at 30 September

All amounts in DKK.

Note	*Assets*	2024	2023
	Non-current assets		
3	*Other fixtures and fittings, tools and equipment*	20.836	354.473
	Total property, plant, and equipment	20.836	354.473
	Total non-current assets	**20.836**	**354.473**
	Current assets		
	Trade receivables	698.056	1.401.888
	Income tax receivables	0	138.349
4	*Receivables from owners and management*	749	0
	Prepayments	927.870	1.130.740
	Total receivables	1.626.675	2.670.977
	Cash on hand and demand deposits	4.654.575	2.482.500
	Total current assets	**6.281.250**	**5.153.477**
	Total assets	**6.302.086**	**5.507.950**

Balance sheet at 30 September

All amounts in DKK.

Note	*Equity and liabilities*	2024	2023
	Equity		
	Contributed capital	500.000	500.000
	Retained earnings	3.570.546	3.258.800
	Proposed dividend for the financial year	500.000	190.500
	Total equity	**4.570.546**	**3.949.300**
	Provisions		
	Provisions for deferred tax	4.584	9.731
	Total provisions	**4.584**	**9.731**
	Liabilities other than provisions		
	Income tax payable	5.427	0
	Total long term liabilities other than provisions	5.427	0
	Prepayments received from customers	820.000	0
	Trade payables	489.411	480.288
	Income tax payable	5.088	196.476
	Other payables	407.030	872.155
	Total short term liabilities other than provisions	1.721.529	1.548.919
	Total liabilities other than provisions	**1.726.956**	**1.548.919**
	Total equity and liabilities	**6.302.086**	**5.507.950**

5 ***Charges and security***

6 ***Contingencies***

Statement of changes in equity

All amounts in DKK.

	Contributed capital	*Retained earnings*	*Proposed dividend for the financial year*	*Total*
Equity 1 October 2022	500.000	3.204.874	750.000	4.454.874
Distributed dividend	0	0	-750.000	-750.000
Retained earnings for the year	0	53.926	190.500	244.426
Equity 1 October 2023	500.000	3.258.800	190.500	3.949.300
Distributed dividend	0	0	-190.500	-190.500
Retained earnings for the year	0	311.746	500.000	811.746
	500.000	**3.570.546**	**500.000**	**4.570.546**

Notes

All amounts in DKK.

		2023/24	2022/23
1.	***Staff costs***		
	Salaries and wages	5.026.593	4.828.146
	Pension costs	859.369	810.168
	Other costs for social security	113.038	113.140
		5.999.000	**5.751.454**
	Average number of employees	11	12
2.	***Other financial costs***		
	Other financial costs	18.897	20.043
		18.897	**20.043**
3.	***Other fixtures and fittings, tools and equipment***		
	Cost 1 October 2023	648.452	598.452
	Additions during the year	0	50.000
	Disposals during the year	-475.458	0
	Cost 30 September 2024	**172.994**	**648.452**
	Depreciation and writedown 1 October 2023	-293.979	-202.237
	Amortisation and depreciation for the year	-16.665	-91.742
	Reversal of depreciation, amortisation and impairment loss, assets disposed of	158.486	0
	Depreciation and writedown 30 September 2024	**-152.158**	**-293.979**
	Carrying amount, 30 September 2024	**20.836**	**354.473**

4. ***Receivables from owners and management***

Category	***Interest rate***	***Write-down for impairment***	***Amounts repaid during the financial year***	***Total receivables at 30 September 2024***
Executive board	13,50	7.361	749	749

5. Charges and security

The company have no charges and security at 30 september 2024.

Notes

All amounts in DKK.

6. Contingencies

Contingent liabilities

The company has entered into a lease agreement for an office with an 111-month non-termination period, total 925.000 DKK. The company has entered into a lease agreement for a horticulture with an 18-month non-termination period, total 738.000 DKK.

The annual report for Graff Breeding A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Income statement

Gross profit

Gross profit comprises the revenue, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursement.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of tangible assets.

Other operating costs

Other operating costs comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Property, plant, and equipment

Other property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value. To counter expected losses, writedown is performed to net realisable value.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity. Proposed dividend is recognised as a lability at the time of approval by the annuak general meeting (time of declaration)

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities other than provisions are measured at amortised cost which usually corresponds to the nominal value.