

Procross ApS

Ebeltoftvej 16
DK-8960 Randers SØ

CVR no. 35 63 33 32

Annual report 2023

The annual report was presented and approved at
the Company's annual general meeting on

16 May 2024

Chairman of the annual general meeting

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Procross ApS for the financial year 1 January – 31 December 2023.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

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

We recommend that the annual report be approved at the annual general meeting.

Randers, 16 May 2024
Executive Board:

Stephane Rene Yannick
Fitamant

Board of Directors:

Brian Lang

Louise Helmer

Tristan Guy Michael Gaiffe

Stephane Rene Yannick
Fitamant

The independent auditor's extended review report on the financial statements

To the shareholders of Procross ApS

Conclusion

We have performed an extended review of the financial statements of Procross ApS for the financial year 1 January – 31 December 2023 comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on the work performed, it is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

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 "Auditor's responsibility 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 opinion.

Management's responsibility 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibility 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 in order to obtain additional assurance for our conclusion.

An extended review comprises procedures primarily consisting of making enquiries of Management and others within the entity, as appropriate, applying analytical procedures and the specifically required supplementary procedures, and evaluating the evidence obtained.



The independent auditor's extended review report on the financial statements

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 these financial statements.

Statement on the Management's review

Management is responsible for Management's review.

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

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

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

Based on the work we have performed, 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 of the Management's review.

Aarhus, 16 May 2024

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Mikkel Trabjerg Knudsen
State Authorised
Public Accountant
mne34459

Katrine Gybel
State Authorised
Public Accountant
mne45848

Procross ApS
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Management's review

Company details

Procross ApS
Ebeltoftvej 16
DK-8960 Randers SØ
Denmark

CVR no.:	35 63 33 32
Established:	1 January 2014
Registered office:	Randers
Financial year:	1 January – 31 December

Board of Directors

Brian Lang
Louise Helmer
Tristan Guy Michael Gaiffe
Stephane Rene Yannick Fitamant

Executive Board

Stephane Rene Yannick Fitamant

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Frederiks Plads 42,7
DK-8000 Aarhus
CVR no. 25 57 81 98

Management's review

Operating review

Principal activities

Procross ApS was established as a joint venture by Danish VikingGenetics F.M.B.A and French Coopex Montbeliarde and acts as an invoicing entity for the founding companies, which purchase and resell bull semen for the purpose of cross-breeding in markets outside Denmark, Sweden and Finland for VikingRed semen and France for Montbeliarde semen. This activity has stopped end of august 2023 and Procross will continue to provide marketing and R&D related work to the Procross brand.

Development in activities and financial position

The Company's income statement for 2023 shows a profit of EUR 2,990 as against EUR 18,213 in 2022. Equity in the Company's balance sheet at 31 December 2023 stood at EUR 352,866 as against EUR 349,877 at 31 December 2022.

Procross ApS has in 2023 stopped the activity as an invoicing entity for the founding companies. Procross will continue to provide marketing and R&D work related to the Procross brand.

Financial statements 1 January – 31 December

Income statement

EUR	Note	2023	2022
Gross profit/loss		<u>-25,616</u>	<u>52,590</u>
Profit/loss before financial income and expenses		<u>-25,616</u>	<u>52,590</u>
Financial income		29,545	8,323
Financial expenses		<u>-104</u>	<u>-37,589</u>
Profit before tax		<u>3,825</u>	<u>23,324</u>
Tax on profit for the year		<u>-835</u>	<u>-5,111</u>
Profit for the year		<u>2,990</u>	<u>18,213</u>
Proposed profit appropriation			
Retained earnings		<u>2,990</u>	<u>18,213</u>

Financial statements 1 January – 31 December

Balance sheet

EUR	Note	31/12 2023	31/12 2022
ASSETS			
Current assets			
Receivables			
Trade receivables		737,282	1,196,347
Other receivables		32,808	184,123
Corporation tax		5,064	1,006
		<u>775,154</u>	<u>1,381,476</u>
Cash at bank and in hand		<u>933,135</u>	<u>677,991</u>
Total current assets		<u>1,708,289</u>	<u>2,059,467</u>
TOTAL ASSETS		<u>1,708,289</u>	<u>2,059,467</u>
EQUITY AND LIABILITIES			
Equity			
Contributed capital		53,592	53,592
Retained earnings		<u>299,274</u>	<u>296,285</u>
Total equity		<u>352,866</u>	<u>349,877</u>
Liabilities			
Current liabilities			
Trade payables		4,244	67,864
Payables to participating interests		1,318,720	1,595,396
Other payables		<u>32,459</u>	<u>46,330</u>
		<u>1,355,423</u>	<u>1,709,590</u>
Total liabilities		<u>1,355,423</u>	<u>1,709,590</u>
TOTAL EQUITY AND LIABILITIES		<u>1,708,289</u>	<u>2,059,467</u>
Related party disclosures	3		

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Procross ApS for 2023 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The financial statements are presented in EUR, as the entity's most significant transactions are settled in EUR.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit. Gross profit comprises revenue, cost of sales, other external costs and other operating income.

Revenue

Income from the sale of goods, comprising the sale of bull semen for the purpose of cross-breeding, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms @2021.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Other external costs

Other external costs comprise costs for distribution and sales costs, costs for advertising, administrative expenses, costs of premises, staff costs re-invoiced from VikingGenetics F.M.B.A and Coopex Montbeliarde.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses comprise interest income and expense, payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Liabilities

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

2 Staff costs

The Company has no employees.

3 Related party disclosures

Control

The Company is a joint venture, and therefore no entity exercises control over the Company.