

# Graff Young Plants A/S

Viborgvej 717 A,, 8471 Sabro

Company reg. no. 39 85 54 96

## Annual report

**1 October 2021 - 30 September 2022**

The annual report was submitted and approved by the general meeting on the 11 January 2023.

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**Gert Graff**

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 %.

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## Management's statement

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Today, the board of directors and the managing director have presented the annual report of Graff Young Plants A/S for the financial year 1 October 2021 - 30 September 2022.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 30 September 2022 and of the company's results of activities in the financial year 1 October 2021 – 30 September 2022.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Sabro, 11 January 2023

### Managing Director

Jesper Skjellerup Slot

### Board of directors

Erik Bo Christensen

Gert Graff

Poul Graff

Jesper Skjellerup Slot

## Independent auditor's report on extended review

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### To the shareholders of Graff Young Plants A/S

#### Opinion

We have performed an extended review of the financial statements of Graff Young Plants A/S for the financial year 1 October 2021 - 30 September 2022, 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 2022 and of the results of the Company's operations for the financial year 1 October 2021 - 30 September 2022 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 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 opinion.

#### 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.

#### Auditor's responsibilities for the extended review of the Financial Statements

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

## **Independent auditor's report on extended review**

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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 opinion on the financial statements does not cover the Management's Review, and we do not express any form of assurance opinion 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, 11 January 2023

### **Redmark**

Godkendt Revisionspartnerselskab  
Company reg. no. 29 44 27 89

Marianne Fog Jørgensen

State Authorised Public Accountant  
mne21405

## Company information

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<b>The company</b>	Graff Young Plants A/S Viborgvej 717 A, 8471 Sabro  Company reg. no. 39 85 54 96 Financial year: 1 October - 30 September
<b>Board of directors</b>	Erik Bo Christensen Gert Graff Poul Graff Jesper Skjellerup Slot
<b>Managing Director</b>	Jesper Skjellerup Slot
<b>Auditors</b>	Redmark Godkendt Revisionspartnerselskab Sommervej 31C 8210 Aarhus V
<b>Parent company</b>	GRAFF Growing A/S
<b>Participating interest</b>	Q-iRose Breeding ApS, Sabro

## Management's review

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### **The principal activities of the company**

The trading company's main activity is based on two business areas. One being collaboration with international breeders and specialists within this field around supply chain management based on plant production in primarily Vietnam. Additionally taking the role as broker of specialized products at various markets.

### **Development in activities and financial matters**

The gross profit for the year totals DKK 1.527.074 against DKK 1.623.547 last year. Income or loss from ordinary activities after tax totals DKK 570.856 against DKK 647.007 last year. The still traceable consequences from the covid 19 pandemic have affected all actors in the flower/plant business. Consequently, the business has been challenged, however, thanks to intensive effort to maximize existing business and utilization of new business potentials, development has been stable and management considers the net profit or loss for the year satisfactory.

### **Expected developments**

Due to a current high degree of activities in existing business and new potential is reachable on a short-term period, the company expects a positive operating and profit development and has the sufficient liquidity to implement any strategic measures.

### **Events occurring after the end of the financial year**

After the balance sheet date, no significant events have occurred that are deemed to be significant influence on the assessment of the financial statements.

## Income statement 1 October - 30 September

All amounts in DKK.

<u>Note</u>	<u>2021/22</u>	<u>2020/21</u>
<b>Gross profit</b>	<b>1.527.074</b>	<b>1.623.547</b>
1 Staff costs	-836.707	-747.188
<b>Operating profit</b>	<b>690.367</b>	<b>876.359</b>
Income from investment in associate	45.017	-13.310
Other financial income from group companies	529	0
Other financial income	1.837	0
2 Other financial expenses	-14.588	-28.492
<b>Pre-tax net profit or loss</b>	<b>723.162</b>	<b>834.557</b>
Tax on net profit or loss for the year	-152.306	-187.550
<b>Net profit or loss for the year</b>	<b>570.856</b>	<b>647.007</b>
<b>Proposed appropriation of net profit:</b>		
Reserves for net revaluation according to the equity method	19.350	-42.643
Dividend for the financial year	250.000	0
Transferred to retained earnings	301.506	689.650
<b>Total allocations and transfers</b>	<b>570.856</b>	<b>647.007</b>



## Balance sheet at 30 September

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All amounts in DKK.

<b>Assets</b>		<u>2022</u>	<u>2021</u>
<u>Note</u>			
<b>Non-current assets</b>			
3	Investment in participating interest	74.350	29.333
	Total investments	<u>74.350</u>	<u>29.333</u>
	<b>Total non-current assets</b>	<b><u>74.350</u></b>	<b><u>29.333</u></b>
<b>Current assets</b>			
	Trade receivables	203.428	152.414
	Receivables from participating interest	768	768
	Prepayments	667	0
	Total receivables	<u>204.863</u>	<u>153.182</u>
	Cash and cash equivalents	<u>1.698.469</u>	<u>1.704.076</u>
	<b>Total current assets</b>	<b><u>1.903.332</u></b>	<b><u>1.857.258</u></b>
	<b>Total assets</b>	<b><u>1.977.682</u></b>	<b><u>1.886.591</u></b>

## Balance sheet at 30 September

All amounts in DKK.

<b>Equity and liabilities</b>		
<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Equity</b>		
Contributed capital	500.000	500.000
Reserve for net revaluation according to the equity method	19.350	0
Retained earnings	63.646	-237.860
Proposed dividend for the financial year	250.000	0
<b>Total equity</b>	<b><u>832.996</u></b>	<b><u>262.140</u></b>
<b>Long term liabilities other than provisions</b>		
Income tax payable	<u>152.306</u>	<u>187.550</u>
Total long term liabilities other than provisions	<u>152.306</u>	<u>187.550</u>
Trade payables	432.795	482.209
Payables to group companies	123.863	389.654
Income tax payable	187.550	0
Other payables	<u>248.172</u>	<u>565.038</u>
Total short term liabilities other than provisions	<u>992.380</u>	<u>1.436.901</u>
<b>Total liabilities other than provisions</b>	<b><u>1.144.686</u></b>	<b><u>1.624.451</u></b>
<b>Total equity and liabilities</b>	<b><u>1.977.682</u></b>	<b><u>1.886.591</u></b>

#### 4 Contingencies

## Statement of changes in equity

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All amounts in DKK.

	Contributed capital	Reserve for net revalua-tion according to the eq-uity method	Retained earnings	Proposed dividend for the financial year	Total
Equity 1					
October 2020	500.000	42.643	-927.510	0	-384.867
Share of results	0	0	689.650	0	689.650
Adjustment	0	-42.643	0	0	-42.643
Equity 1					
October 2021	500.000	0	-237.860	0	262.140
Share of results	0	0	301.506	250.000	551.506
Adjustment	0	19.350	0	0	19.350
	<b>500.000</b>	<b>19.350</b>	<b>63.646</b>	<b>250.000</b>	<b>832.996</b>

## Notes

All amounts in DKK.

	<u>2021/22</u>	<u>2020/21</u>
<b>1. Staff costs</b>		
Salaries and wages	757.000	672.500
Pension costs	73.200	68.272
Other costs for social security	6.507	6.416
	<u><b>836.707</b></u>	<u><b>747.188</b></u>
Average number of employees	<u>1</u>	<u>1</u>
<b>2. Other financial expenses</b>		
Financial costs, group enterprises	0	9.831
Other financial costs	14.588	18.661
	<u><b>14.588</b></u>	<u><b>28.492</b></u>
<b>3. Investment in participating interest</b>		
Cost 1 October 2021	55.000	55.000
<b>Cost 30 September 2022</b>	<u><b>55.000</b></u>	<u><b>55.000</b></u>
Revaluations, opening balance 1 October 2021	-25.667	-12.357
Net profit or loss for the year before amortisation of goodwill	45.017	-13.310
<b>Revaluation 30 September 2022</b>	<u><b>19.350</b></u>	<u><b>-25.667</b></u>
<b>Carrying amount, 30 September 2022</b>	<u><b>74.350</b></u>	<u><b>29.333</b></u>
<b>Participating interest:</b>		
	<b>Domicile</b>	<b>Equity interest</b>
Q-iRose Breeding ApS	Sabro	50 %
<b>4. Contingencies</b>		
<b>Joint taxation</b>		
With G. Graff Holding ApS, company reg. no 32155243 as administration company, the company is subject to the Danish scheme of joint taxation and is proportionally liable for tax claims within the joint taxation scheme.		

## Notes

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All amounts in DKK.

### 4. Contingencies (continued)

#### Joint taxation (continued)

The company is proportionally liable for any obligations to withhold tax on interest, royalties, and dividends of the jointly taxed companies.

The liabilities amount to a maximum amount corresponding to the share of the company capital, which is owned directly or indirectly by the ultimate parent company.

The joint taxation of the jointly taxed companies in the joint taxation appears in the management company's annual report.

The liability relating to obligations in connection with withholding tax on dividends, interest, and royalties represents an estimated maximum of DKK 0.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

## Accounting policies

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The annual report for Graff Young Plants A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises.

The annual report is presented in DKK. The annual report comprises the first financial year and hence comparative figures are not available.

### 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.

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, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

## Accounting policies

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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. Recognition of revenue is 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 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.

### 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 income and expenses etc.

### Results from equity investment in associate

After full elimination of intercompany profit or loss less amortised of consolidated goodwill, the equity investment in the associate is recognised in the income statement as a proportional share of the associates' post-tax profit or loss.

### 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.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

## Statement of financial position

### Investments

#### Investments in associate

Investments in associate is recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

## Accounting policies

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Investments in associate is recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the accounting policies of the owner company with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Investments in associate with a negative equity value is measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the owner company has a legal or constructive obligation to cover a negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of investment in associate transferred to the reserve under equity for net revaluation according to the equity method. The reserve is adjusted by other equity movements in associate.

### Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the 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

#### Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

### Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.



## Accounting policies

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### **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.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, Graff Young Plants A/S is proportionally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

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.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

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 concerning payables to suppliers, and other payables are measured at amortised cost which usually corresponds to the nominal value.

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## Gert Graff

Dirigent

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## Gert Graff

Bestyrelsesmedlem

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## Erik Bo Christensen

Bestyrelsesformand

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## Jesper Skjellerup Slot

Direktør

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## Jesper Skjellerup Slot

Bestyrelsesmedlem

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## Marianne Fog Jørgensen

Statsautoriseret revisor

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