

Graff Young Plants A/S

Viborgvej 717 A,, 8471 Sabro

Company reg. no. 39 85 54 96

Annual report

1 October 2019 - 30 September 2020

The annual report was submitted and approved by the general meeting on the 20 January 2021.

Gert Graff

Chairman of the meeting

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Statsautoriseret Revisionspartnerselskab

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Management's report

The board of directors and the managing director have today presented the annual report of Graff Young Plants A/S for the financial year 1 October 2019 to 30 September 2020.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 30 September 2020 and of the company's results of its activities in the financial year 1 October 2019 to 30 September 2020.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

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

Sabro, 20 January 2021

Managing Director

Jesper Skjellerup Slot

Board of directors

Gert Graff

Jesper Skjellerup Slot

Poul Graff

Independent auditor's report

To the shareholders of Graff Young Plants A/S

Opinion

We have audited the annual accounts of Graff Young Plants A/S for the financial year 1 October 2019 to 30 September 2020, which comprise accounting policies, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 30 September 2020 and of the results of the company's operations for the financial year 1 October 2019 to 30 September 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not find any material misstatement in the management's review.

Aarhus, 20 January 2021

Redmark

State Authorised Public Accountants
Company reg. no. 29 44 27 89

Morten Ryberg Nielsen

State Authorised Public Accountant
mne33221

Company information

The company	Graff Young Plants A/S Viborgvej 717 A, 8471 Sabro
	Company reg. no. 39 85 54 96 Financial year: 1 October - 30 September
Board of directors	Gert Graff Jesper Skjellerup Slot Poul Graff
Managing Director	Jesper Skjellerup Slot
Auditors	Redmark Statsautoriseret Revisionspartnerselskab Sommervej 31C 8210 Aarhus V
Associated enterprise	Q-iRose Breeding ApS, Sabro

Management commentary

The principal activities of the company

The company's main activity is collaboration with international breeders and companies around supply chain management. During the financial year, several agreements were entered into regarding this, corresponding to it exceeded.

The company is working with companies in Vietnam and Africa on the production and delivery of plants etc.

Development in activities and financial matters

The annual result in Graff Young Plants A/S is in accordance with the forecast for 2019/2020. The net profit is DKK 9.868, which is a significant improvement compared to the last year.

The Covid-19 situation has not had a negative effect the company's order backlog, and the company expects a positive result for 2020/2021.

It is expected that the company will be able to restore a positive equity through the future operations. The shareholders have committed to support the company with the necessary liquidity in the financial year 2020/2021.

Income statement

All amounts in DKK.

<u>Note</u>	1/10 2019 - 30/9 2020	12/9 2018 - 30/9 2019
Gross profit	795.680	-425.450
2 Staff costs	-728.272	-788.957
Profit from ordinary operating activities	67.408	-1.214.407
Income from equity investments in associated enterprises	-19.654	62.297
3 Other financial costs	-28.602	-10.387
Pre-tax net profit or loss	19.152	-1.162.497
Tax on ordinary results	-9.284	267.762
Net profit or loss for the year	9.868	-894.735
Proposed appropriation of net profit:		
Reserves for net revaluation according to the equity method	-19.654	62.297
Transferred to retained earnings	29.522	0
Allocated from retained earnings	0	-957.032
Total allocations and transfers	9.868	-894.735

Statement of financial position at 30 September

All amounts in DKK.

Assets		<u>2020</u>	<u>2019</u>
<u>Note</u>			
Non-current assets			
4	Equity investment in associated enterprise	42.643	62.297
	Total investments	<u>42.643</u>	<u>62.297</u>
	Total non-current assets	<u>42.643</u>	<u>62.297</u>
Current assets			
	Trade debtors	156.534	95.106
	Amounts owed by group enterprises	3.595	0
	Receivable corporate tax	267.762	267.762
	Other debtors	0	158.325
	Accrued income and deferred expenses	373	255
	Total receivables	<u>428.264</u>	<u>521.448</u>
	Available funds	<u>414.146</u>	<u>245.676</u>
	Total current assets	<u>842.410</u>	<u>767.124</u>
	Total assets	<u>885.053</u>	<u>829.421</u>

Statement of financial position at 30 September

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2020</u>	<u>2019</u>
Equity			
5	Contributed capital	500.000	500.000
	Reserves for net revaluation as per the equity method	42.643	62.297
6	Results brought forward	<u>-927.510</u>	<u>-957.032</u>
	Total equity	<u>-384.867</u>	<u>-394.735</u>
Liabilities other than provisions			
	Income tax payable	<u>9.284</u>	<u>0</u>
	Total long term liabilities other than provisions	<u>9.284</u>	<u>0</u>
	Trade creditors	142.414	270.727
	Debt to group enterprises	580.566	599.924
	Other debts	<u>537.656</u>	<u>353.505</u>
	Total short term liabilities other than provisions	<u>1.260.636</u>	<u>1.224.156</u>
	Total liabilities other than provisions	<u>1.269.920</u>	<u>1.224.156</u>
	Total equity and liabilities	<u>885.053</u>	<u>829.421</u>

1 Uncertainties concerning the enterprise's ability to continue as a going concern

7 Contingencies

Notes

All amounts in DKK.

1. Uncertainties concerning the enterprise's ability to continue as a going concern

The company has lost all its working capital. The result this year is in line with expectations, and with the plan laid for the company's establishment and development. It is expected that the company will be able to restore the capital through future operations, and the owners have on the basis of this, undertaken to support the company with the necessary liquidity in the future accounting period. The accounts have thus been prepared on the assumption of continued operations.

	1/10 2019 - 30/9 2020	12/9 2018 - 30/9 2019
2. Staff costs		
Salaries and wages	660.000	715.000
Pension costs	68.272	73.957
	728.272	788.957
Average number of employees	1	1
3. Other financial costs		
Financial costs, group enterprises	14.200	5.358
Other financial costs	14.402	5.029
	28.602	10.387

Notes

All amounts in DKK.

4. Equity investment in associated enterprise

Acquisition sum, opening balance 1 October 2019	0	0
Cost 30 September 2020	0	0
Revaluation, opening balance 1 October 2019	62.297	0
Adjustment of previous revaluations	0	34.348
Results for the year before goodwill amortisation	-19.654	27.949
30 September 2020	42.643	62.297
Book value 30 September 2020	42.643	62.297

Associated enterprise:

	Domicile	Share of ownership
Q-iRose Breeding ApS	Sabro	50 %

5. Contributed capital

Contributed capital 1 October 2019	500.000	500.000
	500.000	500.000

6. Results brought forward

Results brought forward 1 October 2019	-957.032	0
Profit or loss for the year brought forward	29.522	-957.032
	-927.510	-957.032

7. Contingencies

Joint taxation

Graff Growing A/S, company reg. no 21803006 being the administration company, the company is subject to the Danish scheme of joint taxation and it is proportionally liable for tax claims within the joint taxation scheme.

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

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

Accounting policies

The annual report for Graff Young Plants A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The annual accounts are presented in Danish kroner (DKK). The annual report comprises the first financial year, and consequently, comparative figures are not included.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

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.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Income statement

Gross profit

Gross profit comprises the revenue, and external costs.

Accounting policies

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.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

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

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

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 of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

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

Accounting policies

The balance sheet

Financial fixed assets

Equity in associate

Equity in associate recognised in the statement of financial position as a proportional share of the enterprise's equity value. This is calculated on the basis of the accounting policies of the parent less/plus unrealised intercompany profits and losses, and less/plus residual value of positive or negative goodwill measured by applying the purchase method.

Associate with negative equity are recognised at no value and, to the extent they are considered irrevocable, amounts owed by these companies are made subject to impairment by the parent's share of the equity. If the negative equity exceeds the receivables, the residual amount is recognised under liability provisions to the extent that the parent has a legal or actual liability to cover the negative equity of these subsidiaries.

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

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

For the acquisition of new associates, the purchase method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for pre-determined restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of revaluations is taken into consideration.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Accounting policies

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium. The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

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 and associates 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.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

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

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

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