



GRAINES VOLTZ

Colmar, 20 march 2025

QUESTIONS / ANSWERS AT THE GENERAL MEETING ON 20 MARCH 2025

Letter from Mr. Birotheau dated 14.03.2025:

Could you give us an update on the major change in governance with the departure of most of the Voltz family from the Board of Directors.

In the current context of separation of responsibilities between the Chairmanship and the Executive Board, it seemed necessary to strengthen the Board of Directors with profiles, each taking responsibility for a committee within the Board.

Could you tell us what the new CEO's roadmap is for our company in 2030?

The company's strategy is currently under review. Senior management will be able to share the broad outlines when the results for the 2025 financial year are presented.

Could you provide us with an update on the development of the adaptation of the cost structure, i.e. expectations in terms of savings (quantification), breakeven target, and the timeframe for achieving these cost adaptation targets?

As indicated in the previous communication, efforts to adapt the cost structure are underway and will have an impact as of this season, but will only be quantifiable at the time of the balance sheet for the 2025 financial year.

In your financial presentations, you emphasize that part of the sluggish growth is due to a drop in new construction. Could you give us some figures for the share that you estimate new construction accounts for in total sales (or in nursery sales)?

We estimate that around half of our nursery plants are supplied to the market for landscaping new green spaces, which is itself closely linked to the new-build sector.

At 30.09.2024, inventories represented 40% of sales. As part of the plan to adapt our cost structure, could you tell us what percentage increase in sales is expected?

We pay particular attention to inventory levels, but given the seasonal nature of our business, it would be premature to give a percentage of expected sales. This answer applies to the following two questions.

At 30.09.2024, trade receivables represented around 26% of sales. As part of the plan to adapt the cost structure, could you tell us what percentage increase in sales is expected?

Working capital stood at 209 days' sales at 30.09.2024. As part of the plan to adapt the cost structure, could you tell us what percentage of sales is expected to fall?



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You point out that your customers' stock levels are very high. How long do you estimate it will take for your customers' stock levels to return to normal?

This possible overstocking at the start of the season only concerns vegetable seeds for our market garden customers, mainly in France, because of the excessive rainfall last year. At present, we have no reason to believe that the situation will not return to normal this year.

Could you tell us the reasons for the increase in DOTAM from €2.3m in 2023 to €14.3m in 2024?

In this table, the exact title of this line is depreciation and provisions on fixed assets (too long a title which unfortunately has not been included in full), unlike the line below which only includes provisions on current assets. These amounts include the depreciation of ABJP securities and current account receivables.

Could you give us an update on the €5.2m charge for doubtful debts?

This amount includes a provision for trade receivables from our Moroccan and Italian subsidiaries, for €3.9m and €792k respectively.

What about the cash advances of €5.8m still held by André Briant (after a €4.1m loss and a debt write-off of €7.6m)? Could you tell us whether or not the €7.6 million debt waiver in favour of André Briant is subject to a financial recovery clause?

We would like to point out that we have not waived any receivables. We have only provisioned the equity investments for €4.2m and the current account for €7.6m, some of which you will find in the €14.3m of DOTAM.

Could you tell us about the letter of financial support dated 11.12.2024, which provides the necessary resources for SAS André Briant Jeunes Plants, which now has negative shareholders' equity of €3.2 million?

All the information relating to this letter of financial support has already been communicated.

What critical views do you have today of the strategic policy of external growth over the last 5 years, namely Hermina-Maier in 2020, Florensis Italy in 2021, André Briant in 2022 and La Baudonnière in 2023?

The acquisitions we have made in Germany and Italy in recent years have been in line with the Group's desire to roll out the French distribution model internationally.

The acquisition of the Baudonnière production site was then fully integrated into our production system.

The acquisition of André Briant Jeunes Plants was intended to add a new product family to the Group's offering. Although the initial commercial ambitions did not materialize, with a negative impact on the company's results, the long-term strategic importance of nursery products is not currently in question.



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Oral questions:

In view of the situation in the past, how will the ABJP subsidiary be managed in the years to come and how do you explain the trend in staff numbers in recent years? :

As specified in the financial communication, we are currently working on our cost structure to adapt it to current conditions.

As for the workforce, this is mainly due to an increase in the seasonal workforce, and the headcount at 30 September is not representative of the number of permanent employees. Nevertheless, we are working to reduce the need for seasonal labor by improving our organization, rethinking the way we work and optimizing our production processes.

When do you expect to break even?

We are currently working on an overall improvement plan. The complexity of this business lies in its particular timeframe: production starts 2 years before marketing. We are working to balance the company's situation, in particular by setting ourselves the target of selling all the plants that have been put into production. It should be noted that this model is different from the production of horticultural and vegetable young plants, which are already on order when they go into production.

What are the tax consequences of writing down the value of ABJP shares and the current account advance to the subsidiary in the company accounts of Graines Voltz?

Write-downs on ABJP shares and the current account advance to the partner are not tax deductible.

How do you explain the rise in energy costs, when three years ago, at the start of the conflict in Ukraine, there was no mention of this risk?

Part of the increase in energy costs indicated in the management report comes from an increase in fuel costs and another part from the cost of gas/electricity. Three years ago, we had not envisaged such a variation in energy prices, and the company had to renew supply contracts at higher rates.

The financial report shows that debt with a maturity of less than one year represented around 70% of financial debt. Can you tell us about the composition of this debt?

Of the financial debt at 30 September 2024, €21 million related to medium and long-term debt, which was used to finance investments and acquisitions. Short-term debt of around €30 million is used to finance the Group's working capital requirements.



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Can you explain the changes in the Group's governance?

In the current context of separation of responsibilities between the Chairmanship and General Management, it seemed necessary to strengthen the Board of Directors with profiles each taking responsibility for a committee within the Board of Directors. Mr. Juilliard, a candidate for the position of director, presented his background and the experience he could bring to the Group's governance. He also indicated that this position is in the name of his company, of which he is the sole shareholder, and that this is a personal choice. He confirmed that he did not hold any shares in the company. Mrs. Graff, also a candidate for the position of director, introduced herself and confirmed that she was a shareholder of Graines Voltz SA.