

Board of directors supplementary report dated 16 february 2022 on the exercise of the authority delegated to the board of directors under th seventh



Resolution of the general meeting of 2 july 2021



BOARD OF DIRECTORS SUPPLEMENTARY REPORT
DATED 16 FEBRUARY 2022
ON THE EXERCISE OF THE AUTHORITY DELEGATED
TO THE BOARD OF DIRECTORS UNDER THE SEVENTH
RESOLUTION OF THE GENERAL MEETING OF 2 JULY 2021

Dear Shareholders,

The Board of Directors decided to exercise the authority delegated under the seventh resolution of the combined general meeting of Graines Voltz S.A. (the “**Company**”) held on 2 July 2021 (the “**AGM**”) in order to issue a maximum of 185,068 new ordinary shares (the “**New Shares**”) without preferential subscription rights in favour of specific categories of persons meeting the criteria set out in the 7th resolution of the AGM (the “**Delegation of Authority**”) (the “**Reserved Offering**”).

This report was prepared in application of Articles L. 225-138, L. 225-129-5, R. 225-114 and R. 22-10-31 of the French Commercial Code following the exercise of this delegated authority by the Board of Directors and by the Chairman and Chief Executive Officer on 16 February 2022. It sets out the final terms of the transaction and provides information on the actual impact of the transaction on the position of the Company’s shareholders. A prospectus has not been drawn up in respect of the Reserved Offering presented below. The impact of the issuance on equity ownership and shareholders’ position is explained in Appendix I.

The Company intends to use the net proceeds of the issuance resulting from the Reserved Offering to provide the Company with additional funds to finance double-digit business growth and pursue the acquisition strategy. Notably, on 16 February 2022 the Company signed a memorandum of understanding to acquire André Briant Jeunes Plants, a nursery seedling market leader in France and recognised European market player. This company posted revenues of €10.5 million for the year ended 31 August 2021 and the acquisition is expected to be completed by the end of March 2022. The total financing requirement for the acquisition is around €11 million including the acquisition price and working capital requirements. This acquisition will give Graines Voltz access to a new market segment twice the size of its current horticulture seedling market which could generate revenues of over €50 million over the medium term.

1. AUTHORISATION AND DELEGATIONS OF AUTHORITY

1.1 Delegation of authority to the Board of Directors by the 2 July 2021 AGM

The Board of Directors hereby recalls that, pursuant to the Delegation of Authority, among other things, the AGM:

- delegated its authority to the Board of Directors, with the option of further delegation in accordance with statutory provisions, to decide, in particular, on the issuance of new ordinary shares of the Company, on one or more occasions, in such proportions and at such times as it shall see fit, both in France and abroad, in euros or in foreign currency, or in any other monetary unit established with reference to a basket of currencies, via one or more capital increases without shareholder preferential subscription rights in favour of specific categories of beneficiaries, in accordance with Article L. 225-138 of the French Commercial Code, to be subscribed in cash and paid up in cash or by offsetting receivables. Furthermore, the AGM decided that, if subscriptions did not cover the entire issue, the Board of Directors would be entitled to limit the issuance to the amount of subscriptions received, provided that this amounted to at least three-quarters of the issuance decided, and/or allocate all or part of the unsubscribed shares as it saw fit to persons of its choosing;

- decided to set the maximum nominal amount of the capital increases that may be carried out, immediately or in the future, pursuant to the Delegation of Authority, at three hundred thousand euros (€300,000) or the equivalent of this amount in foreign currency or in any monetary units established with reference to a basket of currencies, on the understanding that (i) the total

nominal amount of these issuances would be deducted from the overall cap provided for in the eleventh resolution of the AGM (i.e. a maximum nominal amount of €300,000) and (ii) the cap so determined would not include the total par value of any additional shares issued subsequently in order to maintain the rights of holders of securities giving access to the Company's share capital, in accordance with the law and any contractual provisions providing for other adjustments;

- decided that the issue price of the ordinary shares would be at least equal to the volume-weighted average of the Company's share price on the Euronext Paris regulated market during the three trading days preceding the setting of the issue price, adjusted where applicable to allow for differences in dividend entitlement dates, less a maximum discount of 15%;

- decided to cancel, in accordance with Article L. 225-135 of the French Commercial Code, shareholder preferential subscription rights to the securities covered by this resolution in favour of categories of beneficiaries meeting one of the following criteria:

- i. individuals or legal entities, including French or foreign companies, trusts, investment funds and other investment vehicles, regardless of their form, regularly investing in the agricultural, agrifood or seed sectors,
- ii. French or foreign companies, institutions or entities, regardless of their form, that carry on a significant portion of their business in the agricultural, agrifood or plant protection sectors or conducting research in these areas;
- iii. French or foreign investment service providers or any foreign institution with an equivalent status liable to underwrite an issuance to be placed with the persons referred to in sections (i) and/or (ii) above and, in this context, to subscribe the securities issued;

- decided that the Board of Directors would hold full powers, with the option of further delegation in accordance with statutory provisions, to exercise the authority hereby delegated, in particular to:

- decide on the capital increase, determine the securities to be issued and, more generally, to decide on issuances under this delegation of authority;
- decide on the amount of any issuance, the issue price of the shares and/or securities within the limits set out above and the amount of any premium that may be requested upon issuance;
- determine the dates and terms of any issuance and the securities issued, including the class of shares issued or the nature and characteristics of the securities to be issued;
- draw up a precise list of the beneficiaries of the capital increase(s) and/or reserved securities issuances within the relevant category(ies) of persons and the number of shares to be allocated to each of them;
- determine the manner in which subsequently issued shares or securities giving access to the capital are to be paid up;
- where applicable, set the terms and conditions for exercising the rights attached to the shares or securities to be issued and, in particular, set the date, including retrospectively, from which the shares will carry dividend rights, set the terms and conditions governing the exercise of any rights to conversion, exchange and redemption, as well as any other terms and conditions governing the capital increase;
- provide for the option of suspending the exercise of rights attached to these securities in accordance with statutory and regulatory provisions;
- at its sole discretion, charge the costs of the capital increase against the amount of the related premiums and deduct from said amount the sums required to increase the legal reserve to one-tenth of the new share capital following each capital increase;
- determine and perform any adjustments required to allow for the impact of transactions involving the Company's share capital, including changes in the share par value, capital increase by capitalisation of reserves, bonus share allotment, stock split or reverse stock split, distribution of reserves or any other assets, capital redemption or any other transaction affecting shareholders' equity, and set the terms and conditions under which, where applicable, the rights of holders of securities giving access to the Company's share capital will be maintained;

- decide on and implement all measures in order to maintain the rights of holders of securities giving access to the capital existing at the date of each capital increase;
 - where applicable, procure the admission of subsequently issued ordinary shares or securities or shares issued through the exercise of subsequently issued securities giving access to the capital to trading on a regulated market and/or any other financial market located outside the European Economic Area;
 - record the completion of each capital increase at the amount of shares actually subscribed, subject to any applicable limits on issuance, or decide to reduce subscriptions to the amount of the proposed capital increase and amend the Articles of Association accordingly;
 - in general, enter into any agreement, particularly in order to successfully complete the planned issuances, carry out the aforementioned issuances on one or more occasions, in such proportions and at such times as it shall see fit, in France and/or abroad, and, where applicable, postpone the issuance, implement all measures and complete all formalities required for the issuance, listing and financial servicing of the securities issued pursuant to this delegation of authority and for the exercise of the rights attached thereto;
- set the term of the Delegation of Authority at eighteen (18) months from the date of the AGM.

1.2 Decisions of the Board of Directors meeting of 11 February 2022 to authorise in principle the planned increase in the Company's share capital without preferential subscription rights

On 11 February 2022 the Board of Directors decided to:

- ratify, as required, the appointment of the Placement Agents and each Letter of Undertaking;
- approve in principle, as required, the launch of market surveys by the Placement Agents and authorise the Chairman and Chief Executive Officer, as required, to decide on the launch or postponement of such operations and assist the Placement Agents in this regard;
- duly note that, if the initial feedback from the Placement Agents was conclusive, a second Board of Directors meeting would be held to decide on the launch of the transaction under the conditions set out above and delegate its authority to the Chairman and Chief Executive Officer to carry out and set the final terms and conditions of the capital increase; and
- grant full powers to the Chairman and Chief Executive Officer to negotiate and finalise the Placement Agreement and, more generally, to take all steps as required, prepare, negotiate and sign all documents and agreements, issue any press release required under applicable regulations or that he deems necessary or appropriate for the completion of the capital increase.

1.3 Decisions of the Board of Directors meeting of 16 February 2022 to launch the Reserved Offering

On 16 February 2022 the Chairman and Chief Executive Officer, in light of the results of the pre-marketing operations carried out by the Banks, subject to confidentiality agreement and the expressions of interest made by the potential investors approached, and in light of the Banks' opinion on said investors and on the subscription price of the New Shares (as defined below) to be issued as part of the planned capital increase, accordingly decided:

- to exercise the authority delegated under the 7th resolution;
- accordingly, to approve in principle a capital increase of a nominal amount representing up to 20% of the Company's existing share capital, i.e. €259,039 at the date of this Board meeting, through the issuance, without shareholder preferential subscription rights in favour of the specific categories of persons meeting the criteria set out in the 7th resolution of the AGM (the "Beneficiaries"), of a maximum of 259,039 new ordinary shares with a par value of €1 each, in compliance with the caps authorised and currently available under the 7th and 11th resolutions of the AGM;

- that the decision to increase the share capital must be taken as soon as possible before start of trading on the Euronext Paris regulated market on 17 February 2022;
- that the New Shares will be issued at a price equal to the volume-weighted average share price on the Euronext Paris regulated market over the three (3) trading days preceding the date on which the issue price is set, less a maximum discount of 15%;
- that the number and subscription price of the New Shares will be decided by the Chairman and Chief Executive Officer in accordance with the caps authorised and currently available under the 7th and 11th resolutions of the AGM and within the limits set by this resolution of the Board of Directors;
- that the New Shares will be ordinary shares subject to all provisions of the Articles of Association as of issuance and fully fungible with existing shares of the same class and that they will carry dividend rights as of issuance conferring entitlement to all distributions decided by the Company as of this date;
- the New Shares will be admitted to trading on the Euronext Paris regulated market under the same product name as existing shares;
- that the New Shares shall be fully paid up, including par value and issue premium, solely by payment in cash upon subscription;
- that the purpose of the issuance is consistent with the contents of the press releases announcing the transaction and the establishment of its final terms;
- that subscriptions from investors will be received by the Company on the same day;
- that the funds corresponding to investor subscriptions collected by CIC Market Solutions, depository and centralising bank for the transaction referred to herein, through the Joint Lead Managers and Bookrunners, shall be paid into the special capital increase account opened by the Company in the books of CIC Market Solutions;
- that the capital increase shall be finalised by the issuance of a fund deposit certificate by CIC Market Solutions;
- that all fees and expenses of any kind relating to this capital increase will be charged against the issue premium;
- to sub-delegate to its Chairman and Chief Executive Officer, pursuant to the provisions of Article L. 22-10-49 of the French Commercial Code, full powers and authority to decide, within the limits set by this decision and in accordance with applicable regulations, to carry out this capital increase at such price and under such terms as he shall approve, and in particular to sign the Placement Agreement for and on behalf of the Company, collect subscriptions and the corresponding payments, set the final amount and price of this capital increase, draw up the list of Beneficiaries within the categories defined above, determine the allocation of the New Shares to the Beneficiaries within the limits set out above, in light of subscriptions and payments, and record the completion of the capital increase, amend the Articles of Association accordingly, postpone the issuance where applicable, limit the amount of the issuance to the amount of subscriptions, within the limits provided for by the Delegation of Authority where applicable, distribute at his own discretion all or some of the unsubscribed securities among the categories of persons defined in the Delegation of Authority, and, more generally, do all that is necessary to ensure the due completion of the transaction.

1.4 Decisions of the Chairman and Chief Executive Officer on 16 February 2022 to issue the New Shares

In light of the result of the matching of (i) the Company's share offering as part of the capital increase reserved for specific categories of persons meeting the criteria set out in the 7th resolution of the AGM and (ii) requests issued by investors as reflected in the orders placed during the bookbuilding process, the Chairman and Chief Executive Officer noted the outcome of the placement transactions

carried out with certain investors.

Consequently, by decision dated 16 February 2022, in exercise of the aforementioned Delegation of Authority, the Chief Executive Officer:

- duly noted that the volume-weighted average price of the Company's share on the Euronext Paris regulated market over the three (3) trading days preceding the date on which the issue price was set (i.e. 14, 15 and 16 February 2022) was €171.0935 (the "Benchmark Price");
- duly noted that orders were received for 185,068 New Shares at a price of €145.43 per share, representing a 15% discount on the Benchmark Price, thereby falling within the aforementioned amount and price limits;
- decided to set the final terms of the aforementioned capital increase via the issuance, without shareholder preferential subscription rights, of 185,868 New Shares with a par value of one euro (€1.00) each to the Beneficiaries at a price of €145.43 per share, entailing a capital increase of €185,068 and, including the issue premium, €26,914,439.24 in accordance with the terms of the 7th resolution of the AGM (in particular with regard to the price conditions and authorised and available caps); and
- having read the Investor Letters and in accordance with the provisions of Article L. 225-138, paragraph 2 of the French Commercial Code, decided to draw up the list of Beneficiaries within the categories of persons defined by the 7th resolution of the AGM, each of whom must fall under one of the categories of persons defined by the AGM, and to record the allocation of the New Shares in favour of said Beneficiaries.

We also submit to you a supplementary report from the statutory auditor confirming the compliance of our decisions with the authorisation you granted to us.

In accordance with applicable statutory and regulatory provisions, this supplementary report is immediately made available to shareholders at the Company's registered office and will be brought to their attention at the next general meeting.

16 February 2022



Serge Voltz
Chairman of the Board of Directors



Christian Voltz
Director

APPENDIX 1:

IMPACT OF THE RESERVED OFFERING ON GRAINES VOLTZ S.A. SHAREHOLDERS

Please find below an explanation of the impact of the Reserved Offering on the position of holders of equity securities and securities giving access to the Company's share capital.

IMPACT SCOREBOARDS

Impact of issuance on equity ownership

The impact of the Reserved Offering on the proportion of the Company's shareholders' equity represented by each share (calculations based on shareholders' equity as stated in the Company financial statements for the financial year ended 30 September 2021 and the number of shares comprising the Company's share capital at 30 September 2021 after deduction of treasury shares) is as follows:

	Equity ownership interest per share (€)
Pre-issuance of 185,068 New Shares	€29.80
Post-issuance of 185,068 New Shares	€43.46

Impact of issuance on shareholders' position

The impact of the Reserved Offering on a 1.00% interest in the Company's share capital prior to issuance where the shareholder does not subscribe for the issuance (calculations based on shareholders' equity as stated in the Company financial statements for the financial year ended 30 September 2021 and the number of Company shares at September 30, 2021) is as follows:

	Proportion of share capital (%)
Pre-issuance of 185,068 New Shares	1.00%
Post-issuance of 185,068 New Shares	0.87%

Theoretical impact of issuance on current market value

The following table shows the theoretical impact of the Reserved Offering on the current market value of the Company's share measured as the average price over the twenty trading days preceding the Board of Directors meeting called to approve the terms of this report:

	Current market value (€)
Pre-issuance of 185,068 New Shares	€170.14
Post-issuance of 185,068 New Shares	€167.05

Statutory auditors' supplementary report on the capital increase without preferential subscription rights

This is a free translation into English of the statutory auditors' report and it is provided solely for the convenience of English speaking users.

Graines Voltz

Board of Directors meeting of 16 February 2022

To the Shareholders of Graines Voltz,

Opinion

In our capacity as your Company's statutory auditors and in application of the provisions of Article R. 225-116 of the French Commercial Code, we hereby submit to you a supplementary report to our report dated 10 June 2021 on the capital increase without preferential subscription rights authorised by your AGM of 2 July 2021.

This AGM delegated authority to your Board of Directors to decide on such a transaction within a term of 18 months and for a maximum amount of €300,000.

In exercise of this authority, on 16 February 2022 your Board of Directors decided to increase the share capital by €185,068 through the issuance of 185,068 ordinary shares with a par value of €1 each, subject to an issue premium of €144.43 per share.

It is the responsibility of the Board of Directors to prepare a supplementary report in accordance with Articles R. 225-115, R. 225-116 and R. 22-10-31 of the French Commercial Code. It is our responsibility to issue an opinion on the fair presentation of the quantified information taken from the financial statements, on the proposed cancellation of preferential subscription rights and on specific other information concerning the issuance provided in this report.

We performed the procedures we deemed necessary in accordance with professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this type of engagement. These procedures consisted mainly in verifying:

- the fair presentation of the quantified information taken from the financial statements for the financial year ended 30 September 2021 as approved by your Board of Directors. We have audited these financial statements in accordance with professional standards applicable in France;
- the compliance of the transaction terms and conditions with regard to the authority delegated by the AGM of 2 July 2021;
- the information given in the Board of Directors supplementary report dated 16 February 2022 on the choice of data used to calculate the issue price and the final amount of the issuance.

We have no comments to make on:

- the fair presentation of the quantified information taken from the financial statements for the financial year ended 30 September 2021 as provided in the Board of Directors supplementary report dated 16 February 2022;
- the compliance of the transaction terms and conditions with regard to the authority delegated by your AGM of 2 July 2021 and the information provided to the shareholders;
- the choice of data used to calculate the issue price and the final amount of the issuance;
- the presentation of the impact of the issuance on the position of the holders of equity securities assessed in relation to shareholders' equity;
- the cancellation of preferential subscription right on which you have previously decided.

Strasbourg and Colmar, 2 March 2022


The Statutory Auditors

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