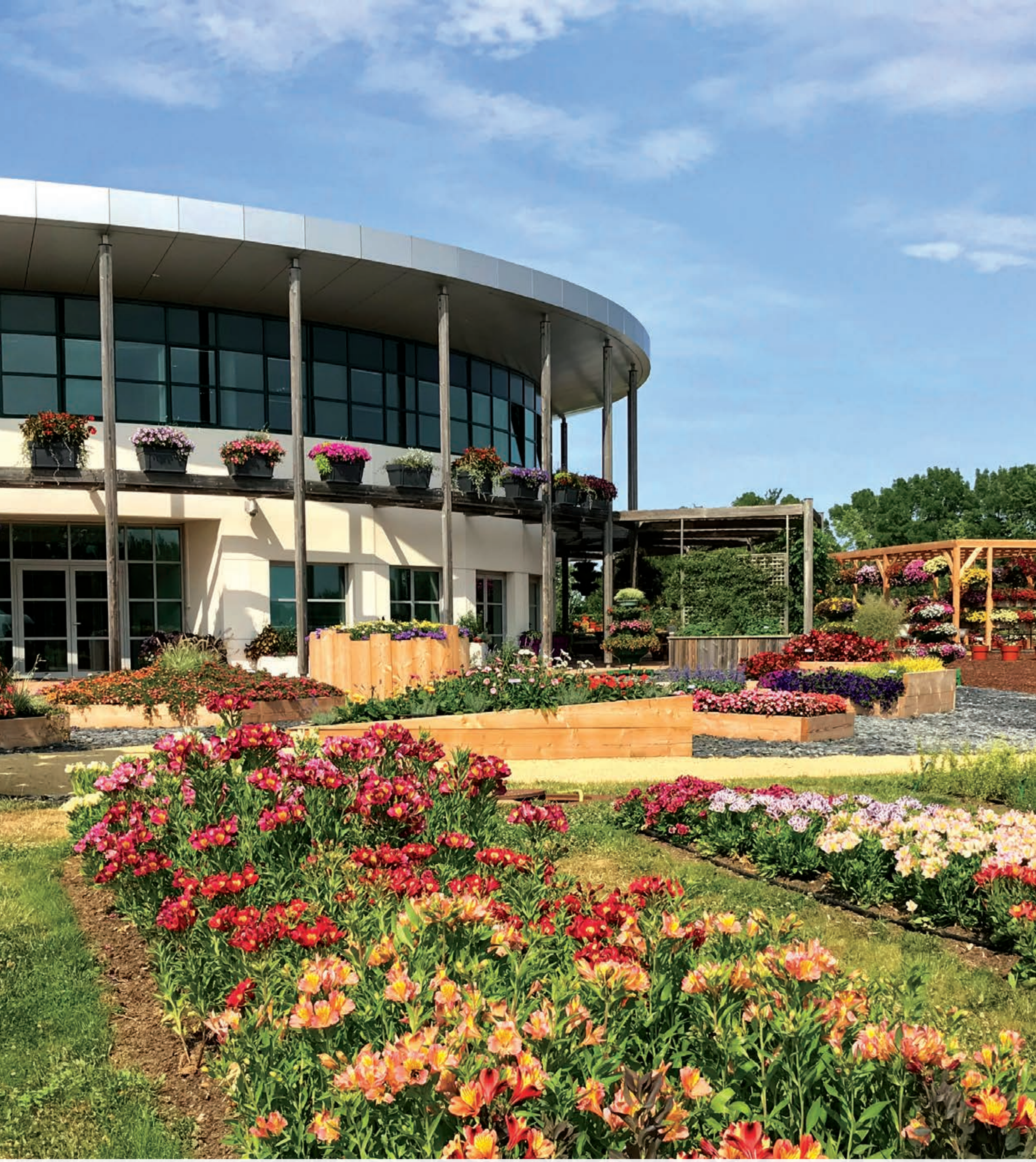

CONSOLIDATED FINANCIAL STATEMENTS

H1 2021/2022

COFIMÉ
Expertise comptable

GROUPE GRAINES VOLTZ
1 rue Edouard Branly
68000 COLMAR

GRAINES VOLTZ

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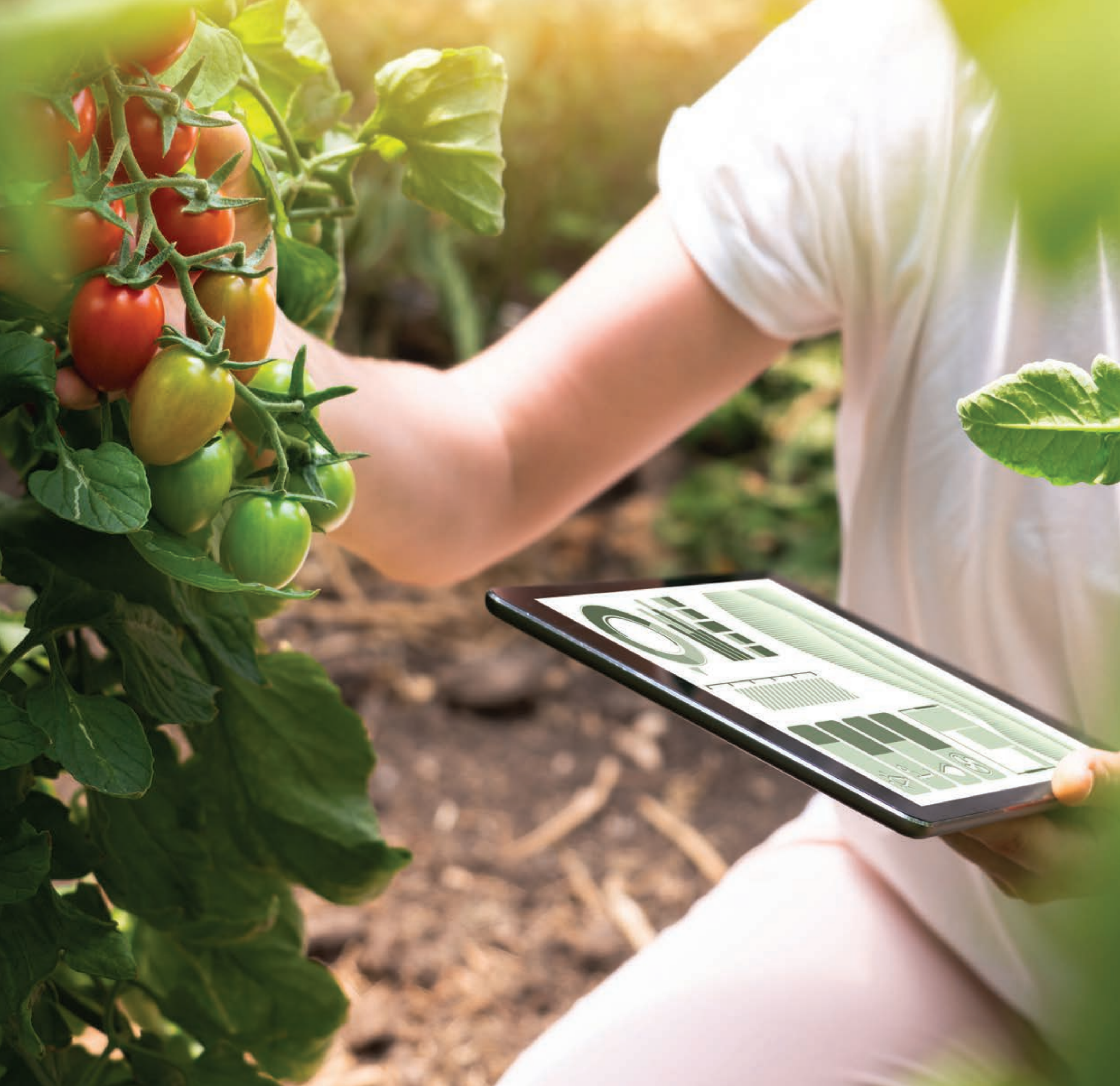


1 SUMMARY FINANCIAL STATEMENTS

1.1 Income statement - H1 2021/2022

€000	Note	H1 2021/2022	H1 2020/2021
Revenues	1	75,910	67,185
Other income from business activity			
Cost of goods sold		(35,464)	(31,991)
Staff costs	2	(15,625)	(12,702)
External charges		(12,157)	(8,475)
Taxes and duties	3	(691)	(826)
Depreciation and amortisation expenses		(1,611)	(1,317)
Provision expenses	4	(636)	(1,226)
Other operating income and expenses	5	298	(181)
UNDERLYING EBIT		10,025	10,467
Non-recurring operating income and expenses	6	23	32
EBIT		10,048	10,499
Income from cash and cash equivalents		3	
Gross cost of debt	7	(434)	(173)
Net cost of debt		(431)	(173)
Other financial income and expenses	8	(112)	(45)
Tax expense	9	(2,354)	(2,721)
Share of earnings of associates		(67)	
NET INCOME EXCLUDING DISCONTINUED OPERATIONS		7,084	7,650
Net income from discontinued operations, net of tax			
NET INCOME		7,084	7,560
GROUP SHARE		7,058	7,571
MINORITY INTERESTS		26	(12)
Earnings per share (basic)	10	5	6
Earnings per share (diluted)	10	5	6

1.2 Comprehensive income statement - H1 2021/2022

€000

Net income and gains/losses recognised directly in equity	H1 2021/2022	H1 2020/2021
Net income	**7,084**	**7,560**
Currency translation differences	(6)	(37)
Tax		
TOTAL ITEMS RECLASSIFIABLE TO PROFIT OR LOSS	(6)	(37)
Actuarial gains/losses on defined benefit plans	(141)	(32)
TOTAL ITEMS NOT RECLASSIFIED TO PROFIT OR LOSS	(141)	(32)
NET INCOME AND GAINS/LOSSES RECOGNISED DIRECTLY IN EQUITY	6,937	7,491
Group share	6,911	7,505
Minority interests	26	(14)

1.3 Consolidated statement of financial position - 31 March 2022

€000		31/03/2022	31/03/2021
Goodwill	**11**	**12,087**	**9,453**
Other intangible assets	12	12,709	10,755
Property, plant and equipment	13	9,233	6,185
Right-of-use lease assets	14	5,968	3,748
Other financial assets	15	107	338
Non-current tax assets - DTA	9	1,398	1,647
Total non-current assets		**29,415**	**22,673**
Inventories and work in progress	16	46,164	29,821
Trade receivables	17	74,999	61,721
Other current assets	17	4,130	2,704
Current tax assets	9	210	
Cash and cash equivalents	18	7,365	5,872
Total current assets		**132,868**	**100,118**
TOTAL ASSETS		174,370	132,244

Equity and liabilities in €000		31/03/2022	31/03/2021
Issued share capital		1,480	1,295
Reserves		65,022	31,996
Net income for the period		7,058	7,571
Shareholders' equity - Group share		**73,560**	**40,862**
Shareholders' equity - minority interests		**99**	**(551)**
Total consolidated shareholders' equity		**73,659**	**40,311**
Long-term loans and borrowings	19	24,217	13,193
Non-current lease liabilities	20	4,941	2,987
Non-current tax liabilities - DTL	9	1,559	1,663
Long-term provisions	21	1,263	1,664
Total non-current liabilities		**31,979**	**19,507**
Trade payables	22	16,036	15,197
Short-term borrowings	19	32,169	42,653
Current portion of long-term loans and borrowings	19	5,626	4,569
Current lease liabilities	20	1,033	787
Current tax liabilities	22		2,533
Short-term provisions	21	132	20
Other current liabilities	22	13,733	6,667
Total current liabilities		**68,731**	**72,426**
TOTAL EQUITY AND LIABILITIES		174,370	132,244

1.4 Statement of changes in shareholders' equity - 31 March 2022

€000	Share capital	Retained earnings	Reclassifiable reserves	Non-reclassifiable reserves	Total sharehol-ders' equity	Group share	Minority interests
Shareholders' equity 30/09/2020	1,295	48,311	(16,526)	(368)	32,172	33,253	(541)
Total assets					174,370		132,244
Correction of opening balance					-		
Change in share capital					-		
Treasury share transactions					-		
Dividend distributions					-		
Net income		9,276			9,276	9,382	(106)
Change in currency reserve			88		88	72	16
Gains/losses on defined benefit plans				58	58	58	
Comprehensive income					9,130	9,252	(122)
Other gains/losses recognised in equity					-		
Change in consolidation scope		-	(15)	-	(15)	(15)	
Change in interest rates					-	(333)	(333)
Other changes		-	(42)	-	(42)	(39)	(3)
SHAREHOLDERS' EQUITY 30/09/2021	1,295	57,587	(16,495)	(310)	42,077	43,044	(967)
Correction of opening balance					-		
Change in share capital	185		25,465	25,650	25,650		
Treasury share transactions					-		
Dividend distributions			-	(2,961)	-	(2,961)	-
Net income		7,084			7,083	7,058	25
Change in currency reserve				6	6	6	
Gains/losses on defined benefit plans				141	141	141	
Comprehensive income					6,936	6,911	
Other gains/losses recognised in equity					-		
Change in consolidation scope			1,546		1,546	510	1,036
Change in interest rates				-			
Other changes				117		117	112
SHAREHOLDERS' EQUITY 31/03/2022	1,480	64,671	7,678	169	73,659	73,560	99

€000	H1 2021/2022	H1 2020/2021
CONSOLIDATED NET INCOME	7,150	7,559
Net depreciation, impairment and provisions	2,266	2,010
Unrealised gains/losses on changes in fair value		
Non-cash income and expenses related to stock options and equivalents		
Other non-cash income and expenses		
Gains/losses on asset disposals	(23)	(33)
Dividends (non-consolidated equity investments)		
OPERATING CASH FLOW AFTER NET COST OF DEBT AND TAX	9,393	9,536
Net cost of debt		110
Tax expense (including deferred taxes)	(150)	2,721
OPERATING CASH FLOW BEFORE NET COST OF DEBT AND TAX	9,242	12,367
Tax paid		2,151
Change in operating working capital	(44,749)	(31,230)
Other cash flows from operating activities		
NET CASH FLOW FROM OPERATING ACTIVITIES	(35,507)	(16,712)
Payments related to acquisitions of property, plant and equipment and intangible assets	(6,230)	(2,149)
Proceeds from disposals of property, plant and equipment and intangible assets	68	211
Payments related to acquisitions of financial assets (non-consolidated investments)	(6,176)	
Proceeds from disposals of financial assets (non-consolidated investments)	40	
Impact of changes in consolidation scope		(3,915)
Dividends received (associates, non-consolidated investments)		
Change in loans and advances granted	298	(161)
Investment grants received		
Other cash flows from investing activities		
NET CASH FLOW FROM INVESTING ACTIVITIES	(12,000)	(6,014)
Capital increase	25,650	
Dividends paid during the period:		
Dividends paid to parent company shareholders	(2,961)	
Dividends paid to minority shareholders of consolidated companies		
Intercompany dividends		
paid		
received		
Purchase and sale of treasury shares		
New borrowings	20,210	6,451
Repayment of borrowings	(5,001)	(2,428)
Lease liability payments	(506)	(480)
Net interest paid		(89)
Interest on lease liabilities		(21)
Other cash flows from financing activities		
NET CASH FLOW FROM FINANCING ACTIVITIES	37,392	3,433
Impact of changes in exchange rates	53	(8)
CHANGE IN NET CASH AND CASH EQUIVALENTS	(10,062)	(19,301)
OPENING CASH AND CASH EQUIVALENTS	(14,742)	(17,480)
CLOSING CASH AND CASH EQUIVALENTS	(24,804)	(36,781)

2 ACCOUNTING PRINCIPLES AND POLICIES UNDER IFRS

Graines Voltz SA is a company domiciled in France. Its registered office is located at 1 rue Edouard Branly, 68000 Colmar. The Group consolidated financial statements for the six months ended 31 March 2022 include Graines Voltz and its subsidiaries Ball Ducrettet, Iberia Seeds, Topsem, Graines Voltz Turkey, Graines Voltz Maroc, Hermina-Maier, Graines Voltz Italia, André Briant Jeunes Plants, Progref and Laboratoire Angevin des Plantes (jointly referred to as "the Group" and each individually as a "Group entity").

The Group's business activity mainly consists of the distribution of the following goods to a customer base of professionals, horticulturists, market gardeners and communities:

- Flower seeds, plants and bulbs,
- Vegetable seeds and plants.

2.1 General background and statement of compliance

These financial statements present the consolidated financial statements in accordance with international accounting standards (IFRS) published by the International Accounting Standards Board (IASB) and IFRS interpretations published by the IFRS Interpretations Committee (IFRS IC) issued by the IASB, as adopted by the European Union on 31 March 2022. These standards may be consulted on the European Commission website. Website: International accounting standards - Regulation (EC) No 1606/2002 | Commission européenne (http://ec.europa.eu).

2.2 Reporting date

The consolidated financial statements were approved by the Board of Directors on 29 June 2022.

2.3 Underlying valuation principles

The consolidated financial statements have been prepared on a historical cost basis, with the exception of certain categories of assets and liabilities in accordance with IFRS. Where applicable, the relevant categories are mentioned in the following notes.

2.4 Functional and presentation currency

The consolidated financial statements are presented in euros, which is the Company's functional currency. All financial data presented in euros is rounded to the nearest thousand euros, unless otherwise stated.

2.5 Translation of foreign entity financial statements

Topsem presents its financial statements in its functional currency, the Algerian dinar (DZD).
Graines Voltz Turkey presents its financial statements in its functional currency, the new Turkish lira (TRY).
Graines Voltz Maroc presents its financial statements in its functional currency, the Moroccan dirham (MAD).
In accordance with IAS 21, these entities' financial statements must be translated into euros, the Group presentation currency.

In accordance with IAS 29, the Algerian dinar and the Moroccan dirham are not the currencies of a hyperinflationary economy. The new Turkish lira is the currency of a hyperinflationary economy. Balances were not restated on the opening balance sheet given the limited contribution of the CGU to the consolidated financial statements.

The financial statements of these three companies are translated into euros as follows:

- Assets and liabilities are translated at the closing exchange rate on the balance sheet date;
- Income and expenses are translated at the average exchange rate for the period.

2.6 Use of estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions in order to determine the amounts of certain assets, liabilities, income and expenses to be recognised, as well as certain disclosures in the notes on contingent assets and liabilities.

Management considers that the estimates and assumptions applied are those that are the most appropriate and feasible in the Group's environment, based on feedback available.

Given the uncertainty inherent in these valuation methods, final amounts may differ from initial estimates. To limit these uncertainties, estimates and assumptions are reviewed periodically and any changes made are recognised immediately.

The assumptions underlying the main estimates are explained in the following notes:

Estimate	Nature of the estimate
Note 2: Employee benefits	Staff turnover rate, life expectancy, salary growth rate and discount rate.
Notes 4 and 16: Provisions for inventories	Assumptions used: depending on the risk of non-germination and the sales outlook.
Notes 4 and 15: Provisions for trade receivables	Assumptions used: depending on the age of the receivables and expected losses.
Note 9: Income tax	Assumptions used for recognising deferred tax assets and the application of tax legislation.
Note 11: Goodwill	Assumption used for impairment of goodwill: recoverable amount and value in use of CGUs under IAS 36.
Notes 12 and 13: Other intangible assets and property, plant and equipment	Determining the useful life of the assets.
Note 21: Current and non-current provisions	Provisions for disputes: assumptions underlying the assessment and valuation of risks.

Information on judgement exercised in applying accounting policies that have the most significant impact on the amounts recorded in the consolidated financial statements is given in Notes 4, 14, 15 and 16.

2.7 Accounting principles and policies

Standards applied:

In preparing its consolidated financial statements for the financial year ended 31 March 2022, the Group applied the accounting principles applied to the financial year ended 30 September 2021, adapting them to the standards, interpretations and amendments adopted by the European Commission and applicable or applied in advance to financial years beginning on or after 1 January 2020.

The consolidated financial statements for the comparative period were prepared in accordance with IFRS (International Financial Reporting Standards), as adopted in the European Union (website:https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002_fr).

The summary consolidated interim financial statements for the six months ended 31 March 2022 have been prepared in accordance with IAS 34:

- Given that they comprise interim financial reporting, they do not constitute a full set of financial statements. They only include material events that occurred during the period. They should be read in conjunction with the annual consolidated financial statements for the previous year.

The basis for the preparation of the summary consolidated interim financial statements described in the notes below is therefore as follows:

- standards and interpretations of mandatory or early application to financial years beginning before or after 1 January 2020;
- options and exemptions applied in the preparation of the financial statements for the period ended 31 March 2022.

As the Group has opted not to adjust rounded figures, minor discrepancies may arise.

Information on the method used for calculating retirement severance benefits:

In May 2021, the IASB (International Accounting Standards Board) approved the position adopted by the IFRS Interpretations Committee regarding defined benefit schemes that make the award of a benefit conditional on (i) length of service, capped at a given amount, and (ii) the fact that a staff member is still employed by the entity at the time he or she reaches retirement age.

However, the amount of the actuarial liability under this new method is identical to the amount as calculated under the previous so-called "retrospective pro rata temporis" method where the applicable collective bargaining agreement applies no cap to retirement bonuses. As the collective bargaining agreement applied by the Graines Voltz Group does not cap said bonuses, we continue to use the retrospective method.

Information on the health and economic crisis (Covid-19):

The consolidated financial statements have been prepared on a going concern basis.

According to known information, the impact is non-material. Specific impairment tests were not carried out in relation to the Covid-19 crisis.

Information on the background to the armed conflict in Ukraine:

The early 2022 outbreak of armed conflict between Russia and Ukraine affected the entire global economy and trade. Nevertheless, this extremely volatile and changing situation has not comprised our continuity of business and has not had a material impact on our business.

2.8 Consolidation scope

The following rules are applied:

- **A subsidiary is an entity controlled by Graines Voltz. Controlled subsidiaries are consolidated either via full consolidation or using the equity method.**

Under IFRS 10, the Group controls a subsidiary when it is exposed or has rights to variable returns due to its involvement with the entity and has the ability to affect those returns through its power over the entity.

In accordance with IAS 28, the Group uses the equity method for entities over which it exercises significant influence.

The financial statements of subsidiaries are included in the consolidated financial statements from the date control is obtained until the date control ceases.

- **Elimination of intercompany transactions:**

Balance sheet balances, income and expenses resulting from intercompany transactions with subsidiaries are eliminated, including:

- reciprocal transactions and accounts,
- impairment charges and reversals on consolidated investments,
- internal margins on inventories,
- dividends paid between consolidated companies.

Gains arising from transactions with an equity-accounted entity are eliminated via an offsetting entry under equity-accounted investments in proportion to the Group's equity interest in the entity. Losses are eliminated in the same way as gains, but only if they do not represent a loss in value.

- **Changes in consolidation scope**

At 31 March 2022, Graines Voltz held ten consolidated subsidiaries in addition to the parent entity in accordance with IFRS 10 and IAS 28.

	31/03/2022	30/09/2021
Fully consolidated	10	8
Proportional consolidation	0	0
Equity method	1	0
Total	11	8

- **First-time consolidation:**

  - **André Briant Jeunes Plants**

With effect from 28 February 2022, the Group purchased for cash the entire share capital of André Briant Jeunes Plants, a company based in Saint-Barthélemy-d'Anjou, France. The company's main activity is the production of nursery seedlings. The Group acquired the company in order to have its own production facility.

This transaction resulted in goodwill of €2,396,000. This acquisition has been fully consolidated in accordance with IFRS 3.

That company's contribution to the consolidated financial statements is as follows:
- Revenues: €2,537,000
- Net income: €625,000

  - **PROGREF**

With effect from 28 February 2022, the Group purchased for cash the entire share capital of Progref, a company based in Dampierre-en-Burly, France. The company's main activity is the production of nursery seedlings. The Group acquired the company in order to obtain a portfolio of proprietary genetics.

This transaction resulted in goodwill of €32,000. This acquisition has been fully consolidated in accordance with IFRS 3.

That company's contribution to the consolidated financial statements is as follows:

- Revenues: €0
- Net income/(loss): (€42,000)

  - **LABORATOIRE ANGEVIN DES PLANTES (LAP)**

With effect from 28 February 2022, via the acquisition of André Briant Jeunes Plants, the Group purchased for cash 65.16% of the shares of Laboratoire Angevin des Plantes, a company based in Saint-Barthélemy-d'Anjou, France. The company's main activity is the production of nursery seedlings. The Group acquired the company in order to acquire an in vitro production laboratory.

This transaction generated no goodwill. This acquisition has been fully consolidated in accordance with IFRS 3.

That company's contribution to the consolidated financial statements is as follows:

- Revenues: €40,000
- Net income: €74,000

- **Deconsolidation :**

No company has been disposed of since 1 October 2021.

- **Changes in consolidation scope:**

  - **Change in consolidation method for Topsem**

On 14 June 2021, for the purpose of complying with Algerian legislation on the ownership of companies by foreign investors, Graines Voltz SA's stake in TOPSEM fell from 68% to 49%. This dilution was achieved through a capital increase by minority shareholders.

At the 30 September 2021 balance sheet date, we considered that we controlled Topsem in view of the transactions concluded and our contractual and statutory commitments with this company. We therefore continued to fully consolidate Topsem in the financial statements.

However, after reviewing the legal situation at 31 March 2022, we came to the conclusion that Topsem should be consolidated using the equity method.

- **2022 consolidation scope:**

  - Companies held directly by Graines Voltz SA:

Company name	Country	Registered office	% voting rights	% interest	Consolidation method	Change since 30/09/2021
Graines Voltz	France	1 rue Edouard Branly 68000 Colmar				No change
Ball Ducrettet	France	2 Place des Arts 74200 Thonon les Bains	100 %	100 %	Full consolidation	No change
Iberia Seeds	Espagne	Avenida Juan Carlos 1,43 30700 Torre Pacheco Murcia ESPAGNE	100 %	100 %	Full consolidation	No change
Topsem	Algérie	Cité Bridja BP n°1 Staoueli Alger ALGERIE	49%	49%	Equity method	Change in consolidation method
Graines Voltz Turquie	Turquie	Yesil Bahce Mah. 1474 Sok.n° 7 Haci Ali Kemanoglu Apt. D 2-3 07010 Muratpasa-Antalya TURQUIE	100 %	100 %	Full consolidation	No change
Graines Voltz Maroc	Maroc	118 Riad Salam Agadir MAROC	100 %	100 %	Full consolidation	No change
Hermina-Maier GmbH (1)	Allemagne	Hofer Strasse 22 93057 Regensburg ALLEMAGNE	100 %	100 %	Full consolidation	No change
Graines Voltz Italia	Italie	24 Via Vittorio Emanuele 20824 Lazzate ITALIE	100 %	100 %	Full consolidation	No change
André Briant Jeunes Plants	France	La Bouvinerie 49124 ST BARTHELEMY D'ANJOU	100 %	100 %	Full consolidation	Consolidated from 28/02/2022
Progref	France	15 chemin Rémy 45570 DAMPIERRE EN BURLY	100 %	100 %	Full consolidation	Consolidated from 28/02/2022

(1) Hermina-Maier GmbH includes Hagedorn by sub-consolidation.

  - Companies indirectly held by Graines Voltz SA:

Company name	Country	Registered office	% voting rights	% interest	Consolidation method	Change since 30/09/2021
Laboratoire Angevin des Plantes (2)	France	La Bouvinerie 49124 ST BARTHELEMY D'ANJOU	65.16%	65.16%	Full consolidation	Consolidated from 28/02/2022

(2) Laboratoire Angevin des Plantes is held by André Briant Jeunes Plants.

All entities have the same balance sheet date.

2.9 Goodwill - Business combinations (IFRS 3)

Business combinations are recognised by applying the acquisition method at the acquisition date, which is the date on which control was transferred to the Group.

The Group calculates acquisition date goodwill using the following formula:

+	fair value of consideration transferred
+	amount recognised for any non-controlling interests in the acquired company
+	if the business combination is carried out in stages (step acquisition), the fair value of any previously held equity interest in the acquired company
-	the net amount recognised in respect of identifiable assets acquired and liabilities assumed, generally measured at fair value

When the difference is negative, a bargain purchase gain is recognised immediately in profit or loss.
For each business combination, the Group has the option of measuring goodwill including the fair value of non-controlling interests (full goodwill method corresponding to the Group share plus non-controlling interests) or in proportion to the acquired company's identifiable net assets at the acquisition date (partial goodwill method corresponding solely to the Group share).

The consideration transferred excludes amounts relating to the settlement of pre-existing relations. These amounts are generally recognised in profit or loss.

Acquisition costs other than those relating to the issuance of debt or equity securities incurred by the Group as a result of a business combination are expensed as incurred.

Any consideration payable is recognised at its acquisition date fair value. Any consideration classified in shareholders' equity is not revalued and its settlement is recognised in shareholders' equity. On the other hand, in the case of consideration classified under liabilities, subsequent changes in its fair value are recognised in profit or loss.

In addition, the fair value measurement of the consideration transferred and the identifiable assets acquired and liabilities assumed in business combinations may be changed over a 12-month period following the acquisition date (if the changes reflect prevailing conditions at the acquisition date).

Goodwill is not amortised but is subject to impairment tests.

Changes in the Group's ownership interest in a subsidiary that do not result in loss of control are recognised as equity transactions.

2.10 Operating segments (IFRS 8)

• Segment information:

An operating segment is a component of the Group:

- that carries out activities for which it may receive income and bear expenses, including income and expenses related to transactions with other components of the Group;
- whose operating results are regularly reviewed by the Group's chief operating decision-maker, who uses them to make decisions on allocating resources to the segments and to assess their performance;
- for which separate financial information is available.

The Group's chief operating decision-maker is the Steering Committee, which is chaired by the Chairman and Chief Executive Officer of Graines Voltz SA and composed of the Senior Vice President and departmental group managers.

Group revenues by operating segment break down as follows:

Segments (€000)	H1 2021/2022	H1 2020/2021
Seeds	32,000	33,508
Plants and bulbs	42,063	32,023
Horticultural and other supplies	1,847	1,654
Total	75,910	67,185

The Group's 11 legal entities at 31 March 2022 are separate cash-generating units.

• Geographical information:

Five fully consolidated companies, namely Graines Voltz SA, Ball Ducrettet SAS, André Briant Jeunes Plants, Progref and Laboratoire Angevin des Plantes, are located in France. The other six are located outside France:

- Iberia Seeds : Spain,
- Topsem : Algeria,
- Graines Voltz Turquie : Turkey,
- Graines Voltz Maroc : Morocco,
- Hermina-Maier : Germany.
- Graines Voltz Italie : Italy

The parent company and the subsidiaries hold non-current assets located outside France. These assets break down as follows:

€000	31/03/2022	31/03/2021
Intangible assets	5,493	4,150
Property, plant and equipment	893	380
Financial assets	28	0
Total	6,414	4,530

For the purposes of presenting information by geographical segment, segment income is determined on the basis of customer location.

Segments (€000)	H1 2021/2022	H1 2020/2021
France	48,645	42,733
Europe and Middle East	23,211	19,287
Rest of world	4,054	5,165
Total	75,910	67,185

3 HIGHLIGHTS OF THE PERIOD

3.1 Main transactions of the period

The financial statements for the first half of the 2021/2022 financial year show an increase in operating expenses, which impacted underlying EBIT. The change in underlying EBIT is mainly due to:

- the increase in Group sales (up 13%);
- the Group's decision to reward its employees by granting an additional earnings bonus;
- the increase in R&D costs at the research station set up in Germany during the first half of 2021;
- increased expenses incurred by plant production facilities;
- the increase in supply prices and expansion of the sales force in order to explore new markets (new European countries, Vertical Farming);
- the increase in transport costs.

Some of these non-recurring expenses (additional bonuses and increase in transport costs, which could not be passed on to selling prices during the current season but will be during the next) impacted underlying EBIT by €1.3 million. Excluding these expenses, first half underlying EBIT came to €11.3 million, up 8% from €10.5 million the previous year.

The €258,000 increase in financial expenses was mainly due to a €300,000 merger deficit following the consolidation of a plant-producing subcontractor from 20 January 2022.

On 21 February 2022, the Company carried out a capital increase via the issuance of 185,068 ordinary shares with a par value of €1 each representing a capital increase of €185,068, issued at a subscription price of €145.43 per share. As a result of this transaction, the share capital increased from €1,295,197 to €1,480,265. The issue premium for this capital increase totalled €26,729,371.

On 28 February 2022 the Group purchased the entire share capital of André Briant Jeunes Plants SAS, a company based in Saint-Barthélemy-d'Anjou (Maine-et-Loire), the entire share capital of Progref, based in Dampierre-en-Burly (Loiret) and 65.16% of the shares of LAP, also based in Saint-Barthélemy-d'Anjou. These companies' main activity is the production of nursery seedlings. They have 180 hectares of production space, a portfolio of proprietary genetics and an in vitro production laboratory. This acquisition has been fully consolidated in accordance with IFRS 3 (see Note 2.8 - First-time consolidation).

On 14 June 2021, for the purpose of complying with Algerian legislation on the ownership of companies by foreign investors, Graines Voltz SA's stake in TOPSEM fell from 68% to 49%. This dilution was achieved through a capital increase by minority shareholders.

At the 30 September 2021 balance sheet date, we considered that we controlled Topsem in view of the transactions concluded and our contractual and statutory commitments with this company. We therefore continued to fully consolidate Topsem in the financial statements.

However, after reviewing the legal situation at 31 March 2022, we came to the conclusion that Topsem should be consolidated using the equity method.

The change in consolidation method had the following impact on the financial statements:

- **Income statement:**

Item	Full consolidation	Equity method	Impact
Revenues	€76,188,000	€75,910,000	+€278,000
Net income Group share	€6,972,000	€7,058,000	(€86,000)

- **Shareholders' equity:**

Item	Full consolidation	Equity method	Impact
Group share	€72,674,000	€73,560,000	€(886,000)
Minority interests	€(1,011,000)	€99,000	€(1,110,000)

3.2 Impact of Covid-19 and the crisis in Ukraine

The Group financial statements have been prepared on a going concern basis. Graines Voltz adapted and safeguarded its organisational system as quickly and efficiently as possible to ensure continuity of business. The Group's activity was maintained while most of the economic activity of companies that serve the public was paralysed.

The early 2020 outbreak and spread of coronavirus affected the entire global economy and trade. Nevertheless, this situation had no significant impact on our business during the first half.

The early 2022 outbreak of armed conflict between Russia and Ukraine affected the entire global economy and trade. Nevertheless, this extremely volatile and changing situation has not comprised our continuity of business and has not had a material impact on our business.

At the reporting date, management was not aware of any material uncertainties that call into question the entity's ability to continue as a going concern.

4 NOTES TO THE INCOME STATEMENT AND STATEMENT OF FINANCIAL POSITION

Note 1 Revenues

The following rules are applied for the recognition and measurement of revenues:

Revenue is generated from sales of traded goods and sales of goods and services produced within the framework of Graines Voltz's main business activities.

Income is recognised under revenues when the customer has obtained control of the asset(s) sold.

Control is defined as the present ability to decide on the use of the asset and to obtain substantially all of the potential cash flows resulting from the use, consumption, resale, exchange or collateralisation of the asset. This concept also includes the ability to prohibit others from determining the use of the asset and from enjoying substantially all of the benefits of the asset.

In the case of traded goods and products sold, the transfer of control generally occurs on the date the goods are made available to the customer in accordance with the relevant Incoterm, if any.

Revenue is generated from:

- sales of seeds
- sales of plants and bulbs
- horticultural and other supplies.

The payment terms applied are those in force in each country and are less than 12 months. Contracts with customers do not include sales with a significant financing component.

Revenues break down by type as follows:

€000	H1 2021/2022	H1 2020/2021	Ch. %
Seeds	32,000	33,508	(4.50%)
Plants and bulbs	42,063	32,024	31.35%
Horticultural supplies	1,847	1,653	11.71%
Total	75,910	67,185	12.99%

Note 2 Staff costs

Staff costs have the following characteristics:

Change in staff costs:

€000	H1 2021/2022	H1 2020/2021
Gross remuneration	11,534	8,659
Social security charges	3,750	3,145
Employee benefits: retirement bonus	24	75
Deductions from staff costs in respect of R&D activities eligible for CIR research tax credit	28	0
Employee profit-share	289	823
Total	15,625	12,702

Employee benefits:

In accordance with the law, the Graines Voltz Group participates in various pension and retirement bonus plans that constitute post-employment benefits.

Contributions payable to defined contribution plans are recognised as an expense when the related service is provided.

Defined-benefit plans, which correspond to retirement bonuses, are recognised in the balance sheet as provisions for contingencies and liabilities. These commitments are valued using an actuarial method based on the classification of all employees by socio-professional category and by seniority. The method used for this valuation is the projected unit credit method.

Under the projected unit credit method, each period of service results in an additional unit of benefit entitlements, and each of those units is valued separately to obtain the liability, which is then discounted.

For all companies: retirement bonuses are determined in accordance with the provisions of the collective bargaining agreements to which the employees within the companies belong.

The salary base used for the calculation is the end-of-career salary, and rights are calculated on the basis of the final prorated seniority. The amount arrived at by using this method corresponds to the concept of Projected Benefit Obligation (P.B.O.).
The P.B.O. represents the probable present value of the acquired rights evaluated by taking into account salary increases (decreasing with age) until retirement age, probabilities of turnover and life expectancy.

An "average" turnover table that decreases regularly according to age was used.
Remeasurements of the liability for retirement bonuses, which correspond to actuarial gains and losses, are recognised immediately in other comprehensive income.

The Group determines the interest expense for the liability by applying the discount rate used to value the retirement bonus obligation as a liability as determined at the beginning of the year. This liability is adjusted for any changes resulting from the payment of benefits during the period.

Interest and other expenses for defined benefit plans are recognised in net income.

In May 2021, the IASB (International Accounting Standards Board) approved the position adopted by the IFRS Interpretations Committee regarding defined benefit schemes that make the award of a benefit conditional on (i) length of service, capped at a given amount, and (ii) the fact that a staff member is still employed by the entity at the time he or she reaches retirement age.

However, the amount of the actuarial liability under this new method is identical to the amount as calculated under the previous so-called "retrospective pro rata temporis" method where the applicable collective bargaining agreement applies no cap to retirement bonuses. As the collective bargaining agreement applied by the Graines Voltz Group does not cap said bonuses, we continue to use the retrospective method.

Main assumptions used:

An "average" turnover table that decreases regularly according to age was used. A retirement age of 67 at 31 March 2022 was used.

Wage increases may be linear or variable. They are thus represented in the form of tables that express a rate of change in compensation by age. The table used is the average decrease table.

The employer social security charges rate is 39%.

The discount rate used is the IBOXX Corporates AA rate at the balance sheet date, which was 1.77% at 31 March 2022 compared to 0.88% at 30 September 2021.

The revaluation of the liability for retirement bonuses, which corresponds to actuarial gains and losses, is recognised in "other comprehensive income" in accordance with IAS 19. At 31 March 2022 these actuarial gains and losses amounted to €141,000.

The provisions for employee benefits break down as follows:

€000	31/03/2022	30/09/2021
Provision for retirement bonuses	1,263	1,194
Provision for retirement bonuses classified as a liability for non-current assets held for sale	0	0
Total	1,263	1,194

€000	Provision pour indemnités de départ en retraite
Au 30/09/21	1,194
Change following first-time consolidation	186
Discounted value of liabilities b/fwd	24
-of which cost of service provided	*(1)*
-of which cost of the effect of the passage of time	*25*
Change following first-time consolidation	(141)
Discounted value of liabilities b/fwd	0
31/03/22	1,263

Average headcount for the period:

	H1 2021/2022	H1 2020/2021
Executive	141	123
Non-executive	536	291
Total	677	414

Note 3 Taxes and duties

The regional economic contribution (contribution economique territoriale or CET) comprises two different levies, one assessed on business property (contribution foncière des entreprises or CFE) and the other on added value (cotisation sur la valeur ajoutée des entreprises or CVAE). These two contributions are classified under the most relevant item of operating expenses.

Note 4 Impairment charges

Inventories and work in progress:

Inventories and work in progress are measured at the lower of cost and net realisable value.

Costs are generally calculated using the weighted average price method; they include procurement transport costs, handling costs, costs of analysis, seed procurement department costs and discounts obtained (see Note 16).

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

Where applicable, impairment charges are recognised on the following impairment losses:
- Losses of value revealed by the germination tests periodically conducted by the Company. Seeds that no longer meet acceptable germination standards (which vary depending on the species) can no longer be marketed. If there is a risk of non-germination, provisions are recorded for the full value of seeds that are stored and therefore included in inventories.

- Products that become obsolete due to changes in consumer habits or the discontinuation of specific geographical markets. Provisions are recorded for 95% of the value of batches purchased over 36 months ago that have seen no sales movement over the last 24 months. No provisions are recorded for batches purchased less than 36 months ago. Provisions are recorded as follows for batches purchased over 36 months ago that have seen sales movement over the last 24 months:

If the inventory-to-sales volume ratio over the last 24 months is:
- less than 100: the batch is not written down;
- between 100 and 200: the batch is written down by 10%;
- between 200 and 300: the batch is written down by 20%;
- between 300 and 400: the batch is written down by 30%;
- between 400 and 500: the batch is written down by 40%;
- between 500 and 600: the batch is written down by 50%;
- between 600 and 700: the batch is written down by 60%;
- between 700 and 800: the batch is written down by 70%;
- between 800 and 900: the batch is written down by 80%;
- Over 900: the batch is written down by 90%

Change in provision for impairment of inventories

€000	31/03/2022	30/09/2021
Inventory impairment provision b/fwd	2,625	1,866
Charges	1,733	2,640
Reversals	1,536	(1,871)
Transition to equity method	(1,058)	
Currency translation differences	(16)	(10)
Inventory impairment provision c/fwd	1,749	2,625

A provision for impairment of inventories has been recorded to take this risk into account. The net charges is set at €197,000.

Trade receivables:
Trade receivables are initially recorded at fair value. The fair value of trade receivables is equal to their nominal value.

Trade receivables impairment takes into account the expected credit losses on the customer portfolio from the origin of the receivable and is reflected in the provision coverage ratio, which amounted to 3.47% of gross receivables at 31 March 2022. The provision coverage ratio is calculated as follows: impairment/receivables incl. tax at the balance sheet date.

The following method is used to estimate the bad debt provision in order to cover the risk of non-recovery: receivables subject to court-ordered rehabilitation or liquidation proceedings or transferred to a lawyer or debt collection firm are written down.

Provisions for doubtful receivables have been adjusted on the basis of the due date for outstanding invoices at the reporting date using the following method:

- Invoices 0-3 months overdue: 1% impairment;
- Invoices 3-6 months overdue: 2% impairment;
- Invoices 6-9 months overdue: 3% impairment;
- Invoices 9-15 months overdue: 4% impairment;
- Invoices 15-21 months overdue: 10% impairment;
- Invoices 21-36 months overdue: 40% impairment;
- Invoices over 36 months overdue: 60% impairment.

Change in provision for bad debts

€000	31/03/2022	30/09/2021
Bad debt provision b/fwd	2,316	2,139
Charges	426	1,353
Reversals	10	(1,235)
Currency translation differences	(7)	9
Change in consolidation scope	(25)	50
Bad debt provision b/fwd	2,700	2,316

Net impairment charges recognised for the period ended 31 March 2022 amounted to €416,000.

Provision expenses:

The Group is exposed to various risks in the ordinary course of its business. Disputes are assessed on a case-by-case basis and the related provisions are estimated in light of the most likely foreseeable compensation scenario at 31 March 2022.

Third-party claims where it is not probable or certain that they will result in an outflow of resources without consideration at least equivalent being expected from said third party are classified as contingent liabilities.

€000	31/03/2022	30/09/2021
Opening provision for contingencies and liabilities	168	20
Change in consolidation scope		113
Charges		31
Reversals	(27)	0
Currency translation differences	(9)	4
Closing provision for contingencies and liabilities	132	168

Note 5 Other operating income and expenses

Change :

€000	31/03/2022	31/03/2021
Other operating income (b)	3,008	2,270
Other operating expenses (b)	(2,710)	0
Bad debts (a)	0	(2 451)
Other operating income and expenses	298	(181)

(a)Bad debts are fully offset by reversals of provisions for impairment.
(b)Other operating income and expenses mainly consist of royalties for the use of seed rights.

Note 6 Non-recurring income and expenses

Change:

€000	H1 2021/2022	H1 2020/2021
Gains/losses on asset disposals	23	34
Gains/losses on exercise of stock options		
Proceeds from sale of subsidiaries and investments		
Other non-recurring expenses		(2)
Other non-recurring income		
Net non-recurring provision expenses		
Non-recurring operating income and expenses	23	32

Note 7 Cost of debt

Change:

€000	H1 2021/2022	H1 2020/2021
Income from cash and cash equivalents	3	0
Interest expense	(402)	(150)
IFRS 16 interest expense	(32)	(23)
Cost of debt	(431)	(173)

Note 8 Other financial income and expenses

Change:

€000	H1 2021/2022	H1 2020/2021
Financial assets and impairment	53	(149)
Foreign exchange gains/losses, net	(167)	16
Interest on cash investments	2	88
Total	(112)	(45)

Note 9 Income tax

Current tax:

France :

The basic corporate tax rate in France is 26.50%.

The Amending Budget Act for 2012 adopted on 29 December 2012 sets out new rules for the carry forward and carry back of losses for companies subject to corporate income tax. The allocation of previous deficits to the taxable profit of a financial year is only possible up to a ceiling equal to €1 million increased by an amount henceforth equal to 50% of the taxable profit for the financial year exceeding this first limit.

The carry back of the deficit for the financial year is now limited to one financial year instead of three and its amount is limited to €1 million.

The law respecting the financing of social security No. 99-1140 of 29 December 1998 instituted a tax supplement of 3.3% of the amount of the basic tax due when the amount of the tax exceeds €763,000. Thus, for those French companies, the tax rate is increased by 1.1%.

Overseas :

The effective rate for Spain was 30%. Companies with annual revenues under €8 million benefit from a reduced 25% tax rate applicable to the portion of taxable profit not exceeding €120,202.

Base rates in the other countries are as follows:

- Algeria: 26%
- Turkey: 25%
- Morocco: 31%
- Germany: 15%
- Turkey: 27.90%

Deferred taxes:

In accordance with IAS 12, deferred tax is calculated on temporary differences between the tax base and the book value of assets and liabilities. The main factors taken into account in this regard concern:

- consolidation adjustments resulting in a discrepancy between accounting and tax (optional tax derogations);
- differences between accounting and tax bases.

Deferred tax is not recorded for:

- temporary differences arising from the initial recognition of an asset or liability in a transaction that is not a business combination and does not affect accounting profit or taxable profit;

- temporary differences related to investments in subsidiaries, associates and partnerships insofar as the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

- taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax assets are recognised on the balance sheet when it is likely that they will be recovered in subsequent years.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised and the liability is settled, based on the tax rates that have been adopted or substantially adopted at the balance sheet date.

In accordance with IAS 12, deferred tax assets and liabilities are not discounted.

€000	31/03/2022	31/03/2021
Current tax	(2,504)	-3,582
Deferred tax	150	861
TOTAL	(2,354)	-2,721

Breakdown of deferred taxes:

€000	31/03/2022
Inventory adjustments	145
Temporary difference adjustments	(315)
IFRS 9 adjustments	390
Adjustments arising from changes in tax rates	(82)
Miscellaneous adjustments	12
TOTAL	150

Current tax receivables and payables:

Current tax receivables and payables break down as follows:

€000	31/03/2022	31/03/2021
Current tax receivables	210	0
Current tax liabilities	0	2,533

Note 10 Earnings per share

Basic earnings per share

The Group presents basic and diluted earnings per share in respect of ordinary shares. Basic earnings per share is calculated by dividing net income attributable to the holders of ordinary shares of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for the number of treasury shares held.

The average number of shares for the period was 1,480,265.

Diluted earnings per share changed as follows:

In Euros	H1 2021/2022	H1 2020/2021
Consolidated net income Group share	7,057 644	7,571,348
Number of shares	1,480,265	1,295 197
Diluted earnings per share	4.77	5.53

Diluted earnings per share:

Diluted earnings per share is determined by adjusting net income attributable to the holders of ordinary shares and the weighted average number of ordinary shares outstanding, adjusted for the number of treasury shares held, for the effects of each category of dilutive instruments, which comprise stock options for the subscription of new shares.

Diluted earnings per share changed as follows:

In Euros	H1 2021/2022	H1 2020/2021
Consolidated net income Group share	7,057,644	7,571,348
Number of shares	1,480,265	1,295 197
Diluted earnings per share	4.77	5.53

Dividends paid per share:

In Euros	H1 2021/2022	H1 2020/2021
Dividend per share (€)	2	0

Note 11 Le goodwill

Goodwill measurement:

During the course of its development, the Group has carried out acquisitions leading to the recognition of goodwill.

Goodwill is allocated to cash-generating units (CGUs) that generate identifiable and independent cash flows. The CGUs have been defined at the level of the Group's legal entities.

Goodwill totalled €12,087,000 at 31 March 2022.

€000	31/03/2022	31/03/2021
Opening gross value	**11,109**	**6,205**
Impairment at opening	1,450	0
Opening net value	**9,659**	**6,205**
Acquisitions during the year	2,428	3,248
Disposals during the year	-	-
Impairment	-	-
Reversals	-	-
Closing net value	**12,087**	**9,453**

Breakdown of goodwill allocated to CGUs at 31 March 2022:

€000	Gross value	Impairment	Net value
BD	2,932	0	2,932
TOPSEM	3	(3)	0
GV	4,355	(1,447)	2,907
GV MAROC	365	0	365
HERMINA-MAIER	3,248	0	3,248
GV ITALIA	206	0	206
ANDRE BRIANT JEUNES PLANTS	2,396	0	2,396
LABORATOIRE ANGEVIN DES PLANTES	32	0	32
TOTAL	**13,537**	**(1,450)**	**12,087**

Goodwill impairment tests:

Impairment tests are conducted at least once a year and whenever an indication of impairment is identified where the recoverable amount falls below the net book value of the goodwill.

The values in use of goodwill and CGUs were not measured at 31 March 2022. The Group found no evidence of impairment (see Note 2.7).

Note 12 Other intangible assets

Acquired intangible assets are stated at cost.

Intangible assets with finite useful lives are amortised over their useful life as estimated by Graines Voltz. Useful life is determined on a case-by-case basis depending on the nature and characteristics of the assets classified under this line item.
In accordance with IAS 36 "Impairment of Assets", the recoverable amount of intangible assets is tested whenever there is evidence of impairment, which is reviewed at each balance sheet date. Impairment testing is carried out at least once a year for assets with an indefinite useful life and intangible assets not yet commissioned.
Accordingly, intangible assets with a finite useful life are valued at cost less amortisation and impairment, while intangible assets (including those not yet commissioned) with an indefinite useful life are valued at cost less accumulated impairment losses.

The cost of these assets corresponds to:

- the purchase price plus any cost directly attributable to the preparation of the asset for its planned use, in the case of assets acquired separately;

- the acquisition date fair value, in the case of assets acquired as part of a business combination.

Where applicable, the straight line amortisation method is applied.

a. Customer files

The items recorded on the balance sheet are acquired customer files corresponding to contractual rights that are not subject to time restrictions.

The customers associated with these files are fully merged into the Company's business operations in terms of their nature and the products they purchase. As such, these files cannot be amortised or written down, as the Company's business activities generate sufficient net cash flows to justify their net book value.

b. Plant breeding

Acquisitions concern ownership rights in vegetable varieties earmarked for exclusive marketing. They are amortised over eight years.

c. Les logiciels

Depending on the field of application, useful life is between one and three years.

Change in intangible assets 31 March 2022 (€000):

Gross values	Opening	Increase	Decrease	Change in consolidation scope	Other changes	Closing
Goodwill	**11,109**	**2,428**				**13,537**
Concessions, patents and similar rights	1,519	638		2		2,159
Customer files and software	10,400				425	10,825
Other intangible assets	431	1,194			(813)	812
Intangible assets in progress		65				65
Advances and down payments on intangible assets			(90)		388	298
Intangible assets (gross)	**12,350**	**1,897**	**(90)**	**2**	**0**	**14,159**

Depreciation and impairment	Opening	Increase	Decrease	Change in consolidation scope	Other changes	Closing
Goodwill	**1,450**					**1,450**
Concessions, patents and similar rights	1,190	157			-201	1 147
	(201)	1,147				211
Customer files and software	211					211
Other intangible assets	83	10				93
Intangible assets in progress						
Advances and down payments on intangible assets						
Amortisation and impairment	1,484	167			(201)	1,451

Net values	Opening	Increase	Decrease	Change in consolidation scope	Other changes	Closing
Goodwill	**9,659**	**2,428**				**12,087**
Concessions, patents and similar rights	328	481		2	201	1,012
Customer files and software	10,189				425	10,614
Other intangible assets	347	1,184			(813)	718
Intangible assets in progress		65				65
Advances and down payments on intangible assets			(90)		388	298
Net values	**10,864**	**1,730**	**(90)**	**2**	**201**	**12,709**

Note 13 Property, plant and equipment

In accordance with IAS 16, property, plant and equipment is stated at acquisition cost or, where applicable, at production cost less depreciation and impairment.

In accordance with IAS 20, investment grants are recorded as a deduction from the acquisition value of the non-current assets they are used to finance.

Depreciation is calculated using the straight line method on the basis of the acquisition cost less residual value, if any.

Depreciation periods for the various categories of non-current assets are based on their estimated useful life and are reviewed annually:

- Land: not depreciated
- Landscaping: 5-8 years
- Buildings: 10-30 years
- General fixtures and fittings: 3-10 years
- Machinery and equipment: 3-10 years
- Vehicles: 3 years
- Office and IT equipment: 2-10 years
- Furniture: 5-10 years

During the period, the Group acquired property, plant and equipment for a net value of €1,785,000.

During the period, the Group disposed of property, plant and equipment for a disposal price of €68,000.

In accordance with IAS 36 “Impairment of Assets”, the recoverable amount of property, plant and equipment is tested whenever there is evidence of impairment, which is reviewed at each balance sheet date. The Group has not suffered any loss of revenue resulting in impairment as at 31 March 2022.

Change in property, plant and equipment 31 March 2022 (€000):

Gross values	Opening	Increase	Decrease	Change in consolidation scope	Other changes	Closing
Land	605	7		121	9	742
Buildings	13,228	559		867	379	15,033
Plant, machinery and equipment	6,043	105	(35)	597	477	7,188
Other PP&E	7,467	1,026	(308)	378	(84)	8,479
PP&E in progress	673	1		17	(690)	1
Advances and down payments		87				87
Gross values	**28,016**	**1,785**	**(343)**	**1,980**	**87**	**31,530**

Depreciation and impairment	Opening	Increase	Decrease	Change in consolidation scope	Other changes	Closing
Land	96	3				99
Buildings	11,079	252			433	11,764
Plant, machinery and equipment	4,691	219	(35)		281	5,156
Other PP&E	5,192	518	(262)	55	(224)	5,278
PP&E in progress						
Advances and down payments						
Depreciation and impairment	**21,058**	**992**	**(297)**	**55**	**490**	**22,298**

Net values	Opening	Increase	Decrease	Change in consolidation scope	Other changes	Closing
Land	509	4		121	9	643
Buildings	2,149	307		867	(54)	3,270
Plant, machinery and equipment	1,352	(114)		597	196	2,031
Other PP&E	2,275	508	(46)	323	140	3,201
PP&E in progress	673	1		17	(690)	1
Advances and down payments		87				87
Net values	**6,958**	**793**	**(46)**	**1,925**	**(399)**	**9,233**

Note 14 Right-of-use lease assets

Gross values	Opening	Increase	Decrease	Change in consolidation scope	Other changes	Closing
Buildings	4,682	2,789	(170)	825	80	8,206
Office equipment	406		(73)			334
Vehicles	324	66	(24)		20	386
Gross values	**5,412**	**2,855**	**(267)**	**825**	**100**	**8,926**

Depreciation and impairment	Opening	Increase	Decrease	Change in consolidation scope	Other changes	Closing
Buildings	1,467	408	(170)	798	80	2,583
Office equipment	299	26	(73)			253
Vehicles	71	54	(24)		20	
Depreciation and impairment	**1,836**	**488**	**(267)**	**798**	**100**	**2,957**

Net values	Opening	Increase	Decrease	Change in consolidation scope	Other changes	Closing
Buildings	3,215	2,381		27		5,623
Office equipment	107	(26)				81
Vehicles	253	12				265
Net values	**3,575**	**2,367**		**27**		**5,969**

The most significant right-of-use asset concerns the commercial lease with SCI Voltz real estate holding company. The right-of-use asset is valued at €2,462,000 and recognised under buildings. The current rent for this lease is €15,416 per month excluding tax

.

In addition, Graines Voltz acquired a 16-year temporary usufruct on the building owned by SCI Voltz, due to expire on 1 January 2033. The Company has defined the duration of the right-of-use asset as the term of the temporary usufruct transfer agreement.

For a breakdown of lease liabilities, see Note 20.

Note 15 Other financial assets

Non-consolidated equity investments are included under other non-current financial assets. They represent the share of capital held in non-consolidated companies.

Equity instruments are initially recognised at fair value plus directly attributable transaction costs. They are subsequently measured at fair value (except for assets whose fair value cannot be reliably measured) and any resulting change is recognised in items of other comprehensive income and accrued in the fair value reserve.

Other non-current financial assets (receivables from equity investments, mainly from Graines Voltz Egypt, which is a non-consolidated entity due to the loss of control by the parent company) are classified as loans and receivables. Loans and receivables are initially recognised at fair value plus directly attributable transaction costs. They are subsequently valued at amortised cost using the effective interest rate method.

Other financial assets

Gross values	Opening	Increase	Decrease	Change in consolidation scope	Other changes	Closing
Equity investments	1	31		11		43
Net assets held for sale						
Investments accounted for using the equity method				(208)		(208)
Other non-current securities	2			18		20
Loans						
Deposits and guarantees	343		(40)		11	314
Loans to subsidiaries and affiliates	562	14		36	(164)	449
Gross values	**908**	**45**	**(40)**	**(143)**	**(153)**	**618**

Provisions for impairment	Opening	Increase	Decrease	Change in consolidation scope	Other changes	Closing
Equity investments						
Net assets held for sale						
Investments accounted for using the equity method						
Other non-current securities						
Loans						
Deposits and guarantees						
Loans to subsidiaries and affiliates	562		(54)			509
Provisions for impairment	**562**		**(54)**			**509**

Net values	Opening	Increase	Decrease	Change in consolidation scope	Other changes	Closing
Equity investments	1	31		11		43
Net assets held for sale						
Investments accounted for using the equity method				(208)		(208)
Other non-current securities	2			18		20
Loans						
Deposits and guarantees	343		(40)		11	314
Loans to subsidiaries and affiliates		14	54	36	(164)	(60)
Net values	**346**	**45**	**14**	**(143)**	**(153)**	**108**

The total net book value of equity investments was €43,000 at 31 March 2022. The book value is equal to the fair value. Changes in fair value affect net income.

Note 16 Les stocks

Inventories and work in progress are measured at the lower of cost and net realisable value.

Inventories are valued according to the first in first out (FIFO) method, i.e. at the last acquisition cost.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale. Where applicable, impairment charges are recognised (see Note 21).

Change in net book values:

€000	31/03/2022	31/03/2021
Raw materials	1,998	947
Work in progress - plants	5,085	1,500
Traded goods	39,081	27,374
- seeds	*37,367*	*26,887*
- plants (finished goods)	*1,081*	
- horticultural supplies	*633*	*487*
Total	**46,164**	**29,821**

For information purposes, inventory impairment amounted to €1,748,000 at 31 March 2022 compared to €2,257,000 at 31 March 2021 and relates solely to traded goods. Impairment charges are determined on an individual basis at the end of each reporting period.

Note 17 Trade and other receivables

Receivables are initially measured at fair value.

Change in net book values:

€000	31/03/2022	31/03/2021
Trade receivables	77,700	64,279
Impairment of trade receivables	(2,700)	(2,561)
Total net trade receivables	**75,000**	**61,721**

€000	31/03/2022	31/03/2021
Advances and down payments paid		203
Other tax and social security receivables	2,471	1,034
Impairment of other receivables	(24)	(24)
Prepaid expenses	1,683	1,492
Total other current assets	**4,130**	**2,704**

Trade receivables are initially recorded at fair value. The fair value of trade receivables is equal to their nominal value given the short payment terms.

Trade receivables impairment takes into account the expected credit losses on the customer portfolio from the origin of the receivable and is reflected in the provision coverage ratio, which amounted to 3.47% of gross receivables at 31 March 2022.

The Group does not use factoring or settlement procedures in order to remove receivables from the balance sheet.

Tax receivables:

The “tax receivables” item mainly consists of receivables from the government (VAT and other taxes) and deferred tax.

Note 18 Cash and cash equivalents

In accordance with IAS 7 "Statement of Cash Flows", the cash and cash equivalents line item on the consolidated balance sheet includes:

- cash on hand and demand deposits,
- short-term, highly liquid investments that are readily convertible to a known amount of cash and that are subject to an insignificant risk of changes in value.

Change :

€000	31/03/2022	31/03/2021
Short-term investments	0	0
Cash	7,365	5,872
Total	**7,365**	**5,872**

Note 19 Current and non-current financial liabilities

IAS 1 provides that assets and liabilities must be classified as "current" and "non-current".

Loans and borrowings are initially recognised at fair value adjusted for any directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest rate method.

Non-current borrowings:

€000	31/03/2022	31/03/2021
Portion of bank loans due in >1 year	24,216	13,193
due in <2 years	*7,810*	*5,366*
due in 2-5 years	*14,972*	*5,851*
due in >5 years	*1,434*	*1,976*

Current borrowings:

€000	31/03/2022	31/03/2021
Portion of bank loans due in <1 year	5,626	4,569
Dividends payable	0	0
Bank overdrafts	32,169	42,653
Total	**37,795**	**47,221**

Change in borrowings (current and non-current):

€000	
30/09/2021	**39,674**
Change in consolidation scope	371
New borrowings (ex-IFRS16)	17,358
Repayment of borrowings	(5,001)
Changes in exchange rates on borrowings	80
Bank overdrafts	9,530
31/03/2022	**62,012**

The main information and analyses relating to changes in borrowings is presented in the statement of cash flows.

Reconciliation between change in cash and change in net debt:

€000	31/03/2022	30/09/2021
Change in net cash and cash equivalents	**(10,062)**	**2,739**
Of which increase in borrowings	17,358	7,911
Of which decrease in borrowings	(5,001)	(3,948)
Change in net financial debt	**22,194**	**1,142**
Opening net financial debt	32,453	31,311
Closing net financial debt	54,647	32,453

Information regarding bank loans:

Medium and long-term borrowings contracted with our financing partners are denominated in euros and other currencies. Interest rates are stipulated as fixed.

The outstanding balance on all loans amounted to €29,843,000 at 31 March 2022.

The outstanding balance of loans secured by collateral amounted to €18,396,000 at 31 March 2022 (see Note 26).

The Group has taken out medium-term loans with a total nominal value of €14,850,000.

Information regarding overdraft facilities:

The Voltz Group has an authorised unsecured overdraft facility of up to €54,900,000.

The Voltz Group also has an authorised overdraft facility of DZD 185 million, i.e. around €1,171,000, for Topsem in Algeria, which is guaranteed by Graines Voltz SA.

Note 20 Lease liabilities

IAS 1 provides that assets and liabilities must be classified as “current” and “non-current”.

Non-current lease liabilities:

€000	31/03/2022	30/09/2021
Portion of lease liabilities due in >1 year	4,941	2,779
due in <2 years	710	668
due in 2-5 years	1,806	937
due in >5 years	2,425	1,174

Current lease liabilities:

€000	31/03/2022	30/09/2021
Portion of lease liabilities due in <1 year	1,033	819

Change during the year (current and non-current):

€000	
30/09/2021	**3,598**
Change in consolidation scope	29
IFRS 16 lease liabilities	2,852
Lease liability payments	(506)
31/03/2022	**5,974**

Leases:

€000	31/03/2022	30/09/2021
Rent payments outstanding	6,329	3,765

There were no lease agreements signed at the balance sheet date and commencing after said date.

Note 21 Current and non-current provisions

IAS 1 provides that assets and liabilities must be classified as "current" and "non-current".

In accordance with IAS 37.14, a provision is recognised where the Group has an obligation towards a third party at the balance sheet date and where it is probable that this will result in an outflow of resources to such third party. Provisions are estimated in accordance with the assumptions deemed most likely at the balance sheet date.

In the ordinary course of its business, the Graines Voltz Group is exposed to various risks (trade disputes, restructuring, tax disputes, employment disputes, etc.).
The following rules are applied:

Provisions for disputes and contingent liabilities:

These disputes are assessed individually and/or on the basis of a statistical estimate of the disputes observed in the Group's field of operation, given the known facts at the balance sheet date.

Non-current provisions:

€000	31/03/2022	31/03/2021
Provision for retirement bonuses (1)	1,263	1,165
Other provisions	-	500
Total	**1,263**	**1,665**

(1) Note 2

Current provisions:

€000	Employment disputes	Other disputes	Tax disputes	Contingencies	Total
30/09/2020	**0**	**20**	**0**	**0**	**20**
Change in consolidation scope				113	113
Charges				31	
Provision used					
Provision not used					
Exchange rate adjustment		4			
30/09/2021	**0**	**24**	**0**	**144**	**168**
Charges					
Provision used				(26)	(26)
Provision not used					
Exchange rate adjustment		(9)			(9)
31/03/2022	**0**	**15**	**0**	**118**	**132**

Note 22 Trade payables and other current liabilities

Payables related to the normal operating cycle are recognised under “Trade payables”. They are recognised initially at fair value and subsequently at amortised cost.

The fair value of trade payables is equal to their nominal value given the short payment terms.

All payables shown below are due in less than one year.

€000	31/03/2022	31/03/2021
Trade payables	16,036	15,197
Current tax liabilities	0	2,533
Tax and social security payables	9,598	6,559
Other payables	4,135	106
Total	**29,769**	**24,396**

Changes in this item are as follows:

€000	31/03/2022	31/03/2021
Total changes	10,512	9,250
o/w change in trade payables	*3,980*	*6,519*
o/w change in income tax	*(485)*	*2,069*
o/w change in tax and social security payables	*3,191*	*1*
o/w change in employee profit-share	*(792)*	*760*
o/w other changes	*4,618*	*(100)*

Note 23 Statement of cash flows

At 31 March 2022, the Group posted a negative net cash position of €24,804,000 corresponding to the following amounts presented in the statement of cash flows.

€000	H1 2021/2022	H1 2020/2021
Cash and cash equivalents (balance sheet)	7,365	5,872
Bank overdrafts	(32,169)	(42,653)
Bank overdrafts classified as liabilities under assets held for sale		
Net cash and cash equivalents (statement of cash flows)	**(24,804)**	**(36,781)**

Change in working capital at 31 March 2022 amounted to €(44,749,000), broken down as follows:

- Change in working capital - inventory: €(15,660,000)
- Change in working capital - trade and other receivables: €(40,086,000)
- Change in working capital - current liabilities: €10,997,000

Note 24 Share capital

En milliers d'euros	31/03/2022	31/03/2021
Issued share capital	**€1,480,197**	**€1,295,197**
Number of shares outstanding at beginning of period	*1,295,197*	*1,295,197*
Number of shares issued during the period	*185,068*	*0*
Number of shares cancelled during the period	*0*	*0*
Number of shares outstanding at period-end	*1,480,265*	*1,295,197*
Par value	**€1**	**€1**
Authorised number of shares	*1,480,265*	*1,295,197*
Number of fully paid-up shares issued	*1,480,265*	*1,295 197*
Number of shares issued but not fully paid up	*0*	*0*

Group policy is to maintain a strong capital base in order to retain the trust of investors, bankers, creditors and the market and support the future development of its business. Shareholders' equity is defined as the share capital, undistributed earnings and non-controlling interests. The Board of Directors oversees return on equity.

€000	31/03/2022	31/03/2021
Total liabilities	100,710	91,933
Cash and cash equivalents (balance sheet)	(7,365)	(5,872)
Net debt	**93,345**	**86,061**
Total shareholders' equity	73,659	40,311
Net debt to equity ratio	**1.27**	**2.13**

Net debt equals the difference between current and non-current liabilities and cash and cash equivalents as shown under balance sheet assets.

Note 25 Risks

- **Credit risks**

Risk of non-recovery of trade and other receivables

At 31 March 2022, trade receivables, other receivables and other current assets represented a total amount of €79,129,000 on the balance sheet, which includes a net balance of €74,999,000 in trade receivables representing 98.80% of consolidated revenues versus 91.87% at 31 March 2021. Other receivables and other current assets mainly consist of tax and social security receivables for which there is no credit risk.

For the Group as a whole, there were no bad debt losses at 31 March 2022. There were also no bad debt losses at 31 March 2021.
The principle for recognising provisions for impairment of trade receivables has been defined as follows: Receivables subject to court-ordered rehabilitation or liquidation proceedings or transferred to a lawyer or debt collection firm are written down. These trade receivables have been written down by 90%.

Risks associated with current and non-current financial assets

Equity investments mainly consist of unlisted equity investments in non-consolidated companies. These totalled €42,855 at 31 March 2022.

- **Market risk**

Hedging of price risk

In addition to price risk, the Group has implemented a counterparty risk management policy in respect of its business. This policy aims to provide effective protection against the risk of non-payment in the event of default by a third party. For this reason, guarantees are taken from certain customers to limit the risk. This takes the form of a mortgage on real estate or a mortgage guarantee.

- **Currency risk**

The Company's exposure to currency risk is limited in view of its operational and trading activities denominated in euros.

- **Liquidity risk**

Liabilities mainly have maturities of less than one year. No liquidity risk is identified insofar as the assets financed, namely inventories (€46,164,000) and trade receivables (€74,999,000), exceed the amount of liabilities due in less than one year.

€000	Maturing in under 1 year	Maturing in 2-5 years	Maturing in over 5 years
Long-term loans and borrowings	5,626	22,782	1,434
Short-term borrowings	32,169		
Non-current lease liabilities	710	1,806	2,424
Non-current tax liabilities			1,760
Long-term provisions			
Trade payables	16,036		
Current lease liabilities	1,033		
Current tax liabilities			
Short-term provisions	132		
Other current liabilities	13,733		
TOTAL	**69,439**	**24,588**	**5,618**

Note 26 Off-balance sheet commitments

Group commitments related to ordinary business at the 31 March 2022 balance sheet date are as follows:

Security commitments received:

€000	31/03/2022	30/09/2021
Endorsements and sureties	455	455

Security commitments given:

€000	31/03/2022	30/09/2021
Pledge of business assets	22,100	15,850
Pledge of equity investments	0	0
Lien	0	0
Lien undertaking	0	0
Bank guarantee	3,130	3,130
Cash collateral	228	268
Earn-out clause	1,700	2,550
Warrant	0	0
Autonomous guarantor	3,000	3,000
Total	**31,008**	**24,798**

For information purposes, an earn-out clause was included in the agreement on the acquisition of André Briant Jeunes Plants. However, this amount cannot be determined at the present date.

Debts secured by collateral:

€000	31/03/2022	30/09/2021
Secured debt: bank loans	18,396	13,343
Amount of security interests granted	22,100	15,850

The security interests granted comprise a property lien and the pledging of shares of a Graines Voltz Group subsidiary.

Note 27 Related party transactions

- **Related companies**

SCI Voltz is classified as a related company as it is owned by Group senior executives. Rent paid by Graines Voltz SA to SCI Voltz amounts to €184,000 per year pursuant to a real estate lease agreement with Graines Voltz SA (see Note 14). The remaining rent due until the termination of the lease amounts to €1,744,000.

- **Senior executive compensation**

The compensation awarded to members of governance bodies amounted to €185,759 for the period from 1 October 2021 to 31 March 2022 compared to €152,660 for the period from 1 October 2020 to 31 March 2021.

Note 28 Post balance sheet events

NONE

5 CONSOLIDATED FIRST HALF ACTIVITY REPORT (FROM 01/10/2021 TO 31/03/2022)

5.1 First half condensed consolidated financial statements:

€000	H1 2021/2022	H1 2020/2021	CHANGE	
			Amount	%
Total revenues	75 910	67 185	8 725	+12,98
Underlying EBIT	10 025	10 467	(442)	(4,22)
EBIT	10 048	10 499	(451)	(4,29)
Tax expense	2 534	2 721	(187)	(6,87)
Net income	7 084	7 560	(476)	(6,29)
Net income Group share	7 058	7 571	(513)	(6,78)

5.2 Highlights of the period

Group consolidated revenues for the first half (01/10/2021 to 31/03/2022) of the Group's 2021/2022 financial year (01/10/2021 to 30/09/2022) amounted to €75,910,000, up 12.99%.

Underlying EBIT amounted to €10,025,000, down 4.22% from €10,467,000 the previous year.

Net income Group share came to €7,058,000, down 6.78% from €7,571,000 the previous year.

Operations are carried out at eight locations:

- Distribution business serving a customer base of professionals, horticulturists, market gardeners and communities: Colmar (Haut Rhin - Graines Voltz), Brain sur l'Authion (Maine-et-Loire - Graines Voltz), Thonon-les-Bains (Haute Savoie - Ball Ducrettet), Algeria (Topsem), Spain (Iberia Seeds), Turkey (Graines Voltz Turkey), Morocco (Graines Voltz Maroc), Italy (Graines Voltz Italia) and Germany (Hermina-Maier). The Brain establishment is fully responsible for seed management.
- Production of seedlings: Saint-Barthélemy-d'Anjou (Maine-et-Loire - Graines Voltz and ABJP) and Avoine (Indre-et-Loire).

The financial statements for the first half of the 2021/2022 financial year show an increase in operating expenses, which impacted underlying EBIT. The change in underlying EBIT is mainly due to:

- the increase in Group sales (up 13%);
- the Group's decision to reward its employees by granting an additional earnings bonus;
- the increase in R&D costs at the research station set up in Germany during the first half of 2021;
- increased expenses incurred by plant production facilities;
- the increase in supply prices and expansion of the sales force in order to explore new markets (new European countries, Vertical Farming);
- the increase in transport costs.

Some of these non-recurring expenses (additional bonuses and increase in transport costs, which could not be passed on to selling prices during the current season but will be during the next) impacted underlying EBIT by €1.3 million. Excluding these expenses, underlying EBIT came to €11.3 million, up 8.0% from €10.5 million in the first half of the previous year.

The €258,000 increase in financial expenses was mainly due to a €300,000 merger deficit following the consolidation of a plant-producing subcontractor from 20 January 2022.

5.3 Material events occurring during the first half and their impact on the financial statements

On 21 February 2022, the Company carried out a capital increase via the issuance of 185,068 ordinary shares with a par value of €1 each representing a capital increase of €185,068, issued at a subscription price of €145.43 per share. As a result of this transaction, the share capital increased from €1,295,197 to €1,480,265. The issue premium for this capital increase totalled €26,729,371.

The consolidated financial statements for the six months ended 31 March 2022 include André Briant Jeunes Plants, Progref and LAP, companies acquired on 28 February 2022.

On 28 February 2022 the Group purchased the entire share capital of André Briant Jeunes Plants SAS, a company based in Saint-Barthélemy-d'Anjou (Maine-et-Loire), the entire share capital of Progref, based in Dampierre-en-Burly (Loiret) and 65.16% of the shares of LAP, also based in Saint-Barthélemy-d'Anjou. These companies' main activity is the production of nursery seedlings. They have 180 hectares of production space, a portfolio of proprietary genetics and an in vitro production laboratory. This acquisition has been fully consolidated in accordance with IFRS 3.

- **Covid-19 and the Ukraine crisis**

The Group financial statements have been prepared on a going concern basis. Graines Voltz adapted and safeguarded its organisational system as quickly and efficiently as possible to ensure continuity of business. The Group's activity was maintained while most of the economic activity of companies that serve the public was paralysed.

The early 2020 outbreak and spread of coronavirus affected the entire global economy and trade. Nevertheless, this situation had no significant impact on our business during the first half.

The early 2022 outbreak of armed conflict between Russia and Ukraine affected the entire global economy and trade. Nevertheless, this extremely volatile and changing situation has not comprised our continuity of business and has not had a material impact on our business.

At the reporting date, management was not aware of any material uncertainties that call into question the entity's ability to continue as a going concern.

5.4 Description of the main risks and uncertainties affecting the second half

None

5.5 Post balance sheet events

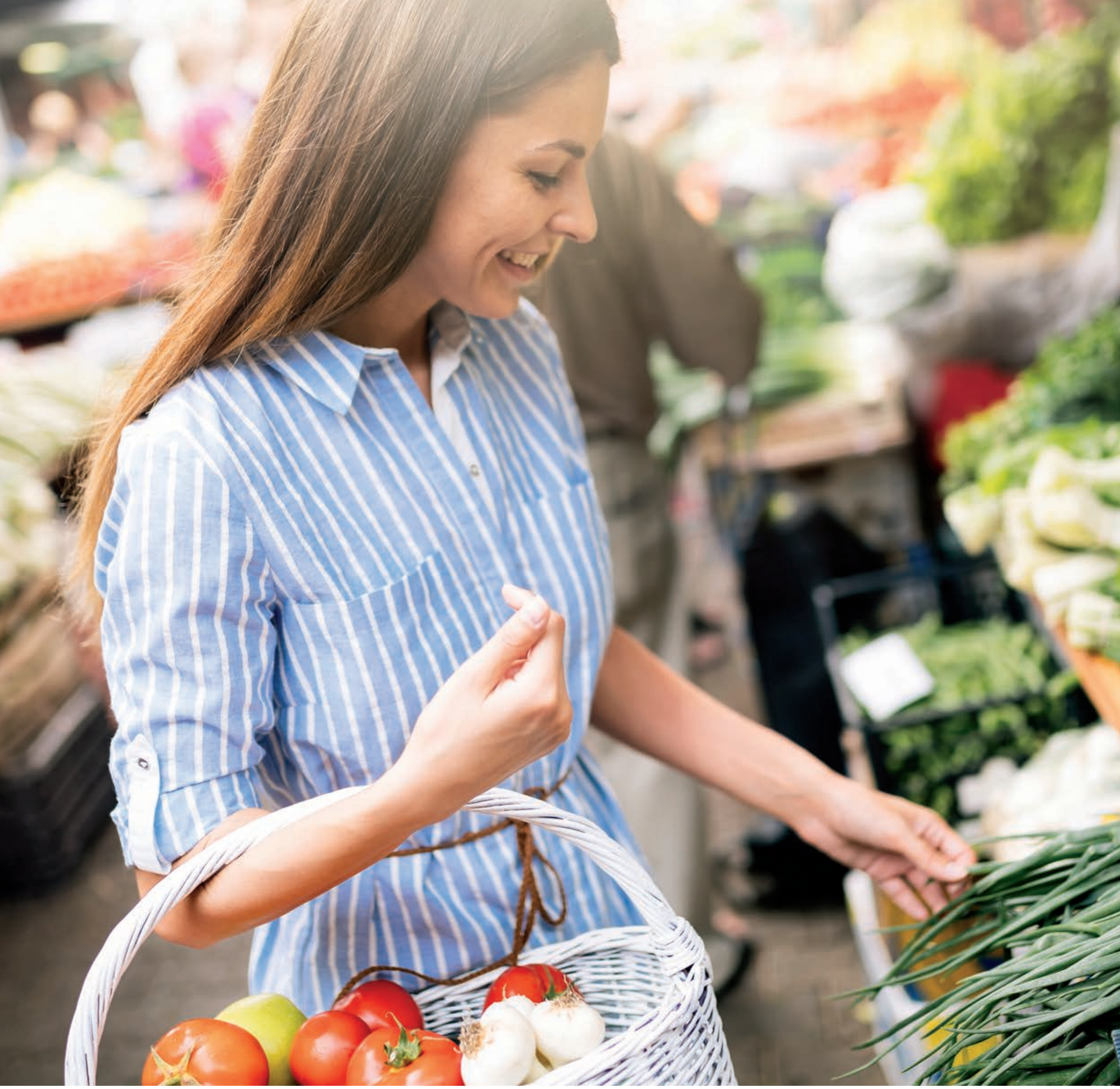
None

5.6 Related party transactions

None

Mr Christian Voltz, Senior Vice President of Graines Voltz, hereby certifies that, to the best of his knowledge, the complete consolidated financial statements for the six months ended have been prepared in accordance with applicable accounting standards and give a true and fair view of the Company's assets and liabilities, financial position and earnings; he also certifies that the interim activity report presented above gives a fair view of the main events that occurred during the first six months of the financial year, the impact of those events on the financial statements and the main related party transactions and includes a description of the main risks and uncertainties applicable to the remaining six months of the financial year.

Colmar, 29 June 2022



6 STATUTORY AUDITORS' REVIEW REPORT ON THE HALF-YEARLY FINANCIAL INFORMATION 2022

5, Place du Corbeau
67000 STRASBOURG

50, Avenue d'Alsace
68000 COLMAR

GRAINES VOLTZ S.A.

Statutory Auditors' Review Report
on the Half-yearly Financial Information 2022

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Period: 1st October 2021 to 31st March 2022
Graines Voltz S.A.
1, rue Edouard Branly – 68000 COLMAR

Statutory Auditors’ Review Report
on the Half-yearly Financial Information 2022

29th June 2022

GRAINES VOLTZ S.A.

Statutory Auditors’ Review Report on the Half-yearly Financial Information 2022

Period: 1st October 2021 to 31st March 2022

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting and in accordance with the requirements of article L. 451-1-2-III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Graines Voltz S.A., for the period from 1st October 2021 to 31st March 2022,
- the verification of the information presented in the half-yearly management report

Due to the global crisis related to the Covid-19 pandemic, the condensed half-yearly consolidated financial statements of this period have been prepared and reviewed under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of our procedures.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I – Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II – Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Strasbourg, 29th June 2022

GRANT THORNTON

Jean-Marc HEITZLER
Engagement Partner

Colmar, 29th June 2022

RSM EST

Philippe COTLEUR
Engagement Partner