

Hortifrut Genetics Limited

Directors' report and financial statements for
the financial year ended 31 December 2024

Registered number: 701709

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2024

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HORTIFRUT GENETICS LIMITED

COMPANY INFORMATION

DIRECTORS	Juan Valverde Fernandez (Spanish) Marion Tabard (French) (<i>Resigned on 11 June 2025</i>) Jose Arizabalo (Spanish) Nicolas Moller (Chilean) Juan Toro (Chilean)
COMPANY SECRETARY	Wilton Secretarial Limited
REGISTERED NUMBER	701709
REGISTERED OFFICE	40 Merrion Square East Dublin 2 D02 NP96 Dublin Ireland
SOLICITORS	William Fry 2 Grand Canal Quay Dublin 2
BANKERS	Bank of Ireland 2 College Green Dublin 2
INDEPENDENT AUDITOR	Ernst & Young Chartered Accountants Harcourt Centre Harcourt Street Dublin 2

DIRECTORS' REPORT
for the year ended 31 December 2024

The directors present their annual report and the audited financial statements for the year ended 31 December 2024. The company was incorporated on 13 August 2021. The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and also in accordance with the Companies Act 2014.

PRINCIPAL ACTIVITIES

The Company's principal activity is developing, improving, maintaining, protecting, and exploiting the intellectual property of the Hortifrut Group.

BUSINESS REVIEW

The company's profit for the financial year, after taxation, amounted to \$ 724,917 (2023: profit of \$1,177,334). At the financial year end, the company was in a net asset position of \$ 29,471,785 (2023: \$28,746,866). The company's key performance indicators centre around licensing revenue growth, market share and penetration, intellectual property portfolio growth and collaboration and partnership metrics. In the context of the wider group's reorganisation and value chain alignment, the directors are satisfied with the performance and results of the company to date. The directors are confident the group will continue its growth and improve its trading position in the upcoming financial year.

RESULTS AND DIVIDENDS

The profit for the financial year, after taxation, amounted to \$724,917 (2023: profit of \$1,177,334).

The directors do not recommend the payment of a dividend for the financial year under review (2023: \$Nil).

DIRECTORS

The directors that served during the financial year were:

Marion Tabard (French) (*Resigned on 11 June 2025*)

Jose Arizabalo

Nicolas Moller (Chilean)

Juan Toro (Chilean)

Juan Valverde Fernandez (Spanish)

DIRECTORS' REPORT
for the year ended 31 December 2024 (Continued)

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors and company secretary who held office as at 31 December 2024 had no direct or beneficial interests in the Company or any group company at any time during the financial year requiring disclosure pursuant or section 329 of the Companies Act 2014.

The directors' and company secretary's interests in the shares of other group undertakings were as follows:

Nicolas Moller held 4.209% (2023: 5.053%) of the outstanding Series A and Series B shares Hortifrut S.A. at the end of the financial year. Nicolas Moller's shares are held through the Moller Group, which comprises Inversiones IMG Ltda., San Juan de Virquenco Tres S.A. and Agricola San Nicolás Ltda.

Hortifrut S.A. is controlled by a consortium consisting of the Moller Group, the Vitalberry Group, and the Quevedo Group, under a Shareholders Agreement dated on 26 April 2023. This agreement encompasses 402,317,480 Series A shares and 21,836,039,337,42 Series B shares (2023: 289,239,159 Series A shares and 28,923,626,660,841 Series B shares) of Hortifrut S.A., equivalent to 37.83% (2023: 50.1%) of the Company's capital, based on a total of 57,717,751,183,353 issued Class A shares and Class B shares (2023: 57,732,367,100,000 issued Class A shares and Class B shares of Hortifrut S.A. This shareholding confers control over the Company to these groups.

As of 31 December 2024, the combined shareholding of the Moller Group, the Vitalberry Group, and the Quevedo Group amounted to 37.83% (2023: 50.1%) of Hortifrut's capital, reflecting the shares held in custody by these groups.

TRANSACTIONS INVOLVING DIRECTORS

There were no loans advanced to the directors at any time during the financial year. There were no contracts or arrangement in relation to the business of the Company in which the directors had any interest, as defined by the Companies Act 2014, at any time during the financial year.

POLITICAL CONTRIBUTIONS

The Electoral Act 1997 (as amended by the Electoral Amendment Political Funding Act 2012) requires companies to disclose all political donations over €200 in aggregate made during a financial period. The directors, on enquiry, have satisfied themselves that no such donations in excess of this amount have been made by the Company during the financial year ended 31 December 2024 (period ended 31 December 2023: \$Nil).

PRINCIPAL RISKS AND UNCERTAINTIES

As common with all companies operations in Ireland within this sector, the Company faces risks and uncertainties such as foreign currency and credit risk.

The financial risk management policies of the Company and the associated foreign currency and credit risk are discussed in detail in note 15 to the financial statements.

DIRECTORS' REPORT
for the year ended 31 December 2024 (Continued)

ACCOUNTING RECORDS

The measures taken by the directors to ensure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The Company's accounting records are maintained at Ella House, Suite 40.1, 40 Merrion Square East, Dublin 2. The Company's statutory registers are at 6th Floor, 2 Grand Canal Square, Dublin 2.

FUTURE DEVELOPMENTS

The directors have no plans to change the activities and operation of the Company for the upcoming year. The directors continue to seek opportunities for the future growth and development of the Company.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

GOING CONCERN

The directors have evaluated the relevant conditions and events that are known and reasonably knowable at the date that the financial statements are approved. The Company's ultimate parent company, Hortifrut S.A. (Holding) (Chile), has also indicated that it will provide such financial support to the Company, in the event that funds are not otherwise available, to enable it to meet its obligations as they fall due for a period of twelve months from the date of approval of the financial statements. The directors have a reasonable expectation, based on their review of the projected business operations and the financial support that will be provided by the ultimate parent company, that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of these financial statements. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

POST YEAR END EVENTS

There have been no significant events since the Statement of Financial Position date.

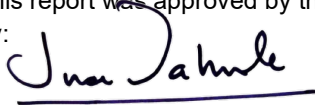
HORTIFRUT GENETICS LIMITED

DIRECTORS' REPORT
for the year ended 31 December 2024 (Continued)

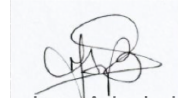
AUDITOR

The auditor, Ernst & Young, Chartered Accountants will continue as statutory auditor in accordance with section 383(1) of the Companies Act 2014.

This report was approved by the board on 17 December 2025 and signed on its behalf
by:



Juan Valverde Fernandez
Director



Jose Arizabalo
Director

**DIRECTORS' RESPONSIBILITIES STATEMENT
for the year ended 31 December 2024**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Irish Company law requires the directors to prepare financial statements for each financial year. Under that law, the Board has elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.


Under Company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial period end date and of the profit or loss of the Company for the financial period and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

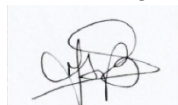
- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit and loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the board on 17 December 2025 and signed on its behalf by:



Juan Valverde Fernandez
Director



Jose Arizabalo
Director



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORTIFRUT GENETICS LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Hortifrut Genetics Limited ('the Company') for the year ended 31 December 2024, which comprise the Statement of Profit and Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including the material accounting policy information set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards ('IFRS') as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORTIFRUT GENETICS LIMITED
(Continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Director's other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial year ended for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, other than those parts relating to sustainability reporting where required by Part 28 of the Companies Act 2014, has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures required by sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORTIFRUT GENETICS LIMITED (Continued)

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: https://iaasa.ie/wp-content/uploads/docs/media/IAASA/Documents/audit-standards/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Aisling McGarrigle
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm

Dublin

22 December 2025

HORTIFRUT GENETICS LIMITED**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
for the financial year ended 31 December 2024

	<i>Note</i>	2024 \$	2023 \$
Turnover	4	35,497,936	25,324,936
Cost of sales		(34,405,687)	(22,013,500)
Gross profit		1,092,249	3,311,436
Administrative expenses		(678,765)	(1,730,254)
Exchange rate difference		(39,777)	(32,843)
Operating profit		373,707	1,548,339
Share of profit of equity accounted investees		286,972	(150,092)
Finance expense	7	(6,173)	(6,280)
Profit before taxation		654,506	1,391,967
Tax on profit on ordinary activities	8	70,411	(214,633)
Profit for the financial year		724,917	1,177,334

The notes on pages 14 to 33 form part of these financial statements.

HORTIFRUT GENETICS LIMITED

STATEMENT OF FINANCIAL POSITION as at 31 December 2024

	Note	2024 \$	2023 \$
FIXED ASSETS			
Intangible assets	9	13,143,293	15,020,906
Investments	10	9,893,000	9,606,028
Deferred tax assets	8	1,158,861	1,088,450
		<u>24,195,154</u>	<u>25,715,384</u>
CURRENT ASSETS			
Trade and other receivables	11	15,430,261	11,653,564
Cash at bank	12	2,487,198	2,387,220
		<u>17,917,459</u>	<u>14,040,784</u>
CURRENT LIABILITIES			
Trade and other liabilities	13	(12,640,828)	(11,009,300)
NET CURRENT ASSETS			
		<u>5,276,631</u>	<u>3,031,484</u>
NET ASSETS			
		<u><u>29,471,785</u></u>	<u><u>28,746,868</u></u>
ISSUED CAPITAL AND RESERVES			
Called up share capital presented as equity	14	29,693,293	29,693,276
Retained earnings	15	(221,491)	(946,408)
TOTAL EQUITY			
		<u><u>29,471,785</u></u>	<u><u>28,746,868</u></u>

The financial statements on pages 10 to 13 were approved and authorised for issue by the board of directors on 17 December 2025 and were signed on its behalf by:



Juan Valverde Fernandez
Director



Jose Arizabalo
Director

The notes on pages 14 to 33 form part of these financial statements.

HORTIFRUT GENETICS LIMITED**STATEMENT OF CHANGES IN EQUITY
for the financial year ended 31 December 2024**

	<i>Share capital</i>	<i>Retained earnings</i>	<i>Total equity</i>
	\$	\$	\$
At 1 January 2023	8,473,531	(2,123,742)	6,349,789
Profit for the financial year	-	1,177,334	1,177,334
Total comprehensive income for the financial year	-	1,177,334	1,177,334
Issue of share capital	21,219,745	-	21,219,745
Total contributions by and distributions to owners	21,219,745	-	21,219,745
At 31 December 2023	29,693,276	(946,408)	28,746,868
Profit for the financial year	-	724,917	724,917
Total comprehensive income for the financial year	-	724,917	724,917
Issue of share capital	29,693,276	-	29,693,276
Total contributions by and distributions to owners	29,693,276	-	29,693,276
At 31 December 2024	29,693,276	(221,491)	29,471,785

HORTIFRUT GENETICS LIMITED

STATEMENT OF CASH FLOWS for the financial year ended 31 December 2024

	Note	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the financial year/period		724,917	1,177,334
<i>Adjustments for:</i>			
Amortisation of intangible fixed assets	9	1,877,614	1,877,614
Share of profit equity accounted investees	10	286,972	150,912
Finance expense	7	6,173	6,280
Income tax charge		(70,411)	214,633
		<u>2,825,265</u>	<u>3,426,773</u>
<i>Movements in working capital:</i>			
Increase in trade and other receivables	11	(3,776,537)	(214,243)
(Decrease) in trade and other liabilities	13	1,631,528	(21,849,968)
		<u>680,256</u>	<u>(18,637,438)</u>
Cash (used in) operations		(574,105)	(285,783)
Income taxes paid		<u>106,151</u>	<u>(18,923,221)</u>
Net cash from operating activities		<u>106,151</u>	<u>(18,923,221)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of ordinary shares		-	21,219,762
Interest payable		(6,173)	(6,280)
		<u>(6,173)</u>	<u>21,213,482</u>
Net cash from financing activities		<u>(6,173)</u>	<u>21,213,482</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of year		99,978	2,290,261
		<u>2,387,220</u>	<u>96,959</u>
Cash and cash equivalents at the end of year	12	<u>2,487,198</u>	<u>2,387,220</u>

NOTES TO THE FINANCIAL STATEMENTS
31 December 2024

1. GENERAL INFORMATION

These financial statements comprising the Statement of Profit and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the related notes constitute the financial statements of Hortifrut Genetics Limited for the financial year ended 31 December 2024. The prior period began on 1 January 2023 and ended on 31 December 2023.

Hortifrut Genetics Limited is a private company limited by shares (registered under Part 2 of Companies Act 2014), incorporated in the Republic of Ireland. The registered office is 6th Floor, 2 Grand Canal Square, Dublin 2. The company registration number is 701709. The nature of the company's operations and its principal activities are set out in the Directors' Report.

2. ACCOUNTING POLICIES

2.1 *Basis of preparation and going concern*

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ('IFRS'), as adopted by the EU. IFRS as adopted by the EU differs in certain respects from IFRS issued by the IASB. References to IFRS hereafter refer to IFRS as adopted by the EU.

These financial statements present information about the Company as an individual undertaking and not about its group. In accordance with the exemption granted by Section 299 of the Companies Act 2014 and paragraph 4(a)(iv) of IFRS 10 Consolidated Financial Statements, the Company does not prepare consolidated financial statements as publicly available financial statements are prepared by the ultimate parent company Hortifrut S.A. (Holding) (Chile).

The directors have evaluated the relevant conditions and events that are known and reasonably knowable at the date that the financial statements are approved. The Company's ultimate parent company, Hortifrut S.A. (Holding) (Chile), has also indicated that it will provide such financial support to the Company, in the event that funds are not otherwise available, to enable it to meet its obligations as they fall due for a period of twelve months from the date of approval of the financial statements. The directors have a reasonable expectation, based on their review of the projected business operations and the financial support that will be provided by the ultimate parent company, that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of these financial statements. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

2.2 *Functional and presentation currency*

These financial statements are presented in US dollars (\$), which is the Company's functional currency. All amounts have been rounded to the nearest US dollar (\$), unless otherwise indicated.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (Continued)

2. ACCOUNTING POLICIES (Continued)

2.3 *Significant accounting judgement, estimates and assumptions*

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) *Income taxes*

The Company is subject to income taxes. Significant estimates are required in determining the provision for income taxes. This means that for some transactions and calculations the ultimate tax determination could be uncertain. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised.

Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and income tax expense in the periods in which such estimate is changed.

(b) *Impairment of financial assets and trade and other receivables*

The Company makes an estimate of the recoverable value of trade and other receivables in line with IFRS 9's expected credit loss model. When assessing the impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of the receivables and historic experience.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Company's investment in a subsidiary or associate.

2.4 *Application of new and revised International Financial Reporting Standard (IFRSs)*

Recent accounting pronouncements

The following new standards and amendments are effective for the first time for periods beginning on or after 1 January 2024:

NOTES TO THE FINANCIAL STATEMENTS
31 December 2024 (Continued)

2. ACCOUNTING POLICIES (Continued)

Recent accounting pronouncements (continued)

- Amendments to IAS 1 Presentations of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- Amendment to IFRS 16 Leases: Lease Liability in a Sale and Leaseback
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosures: Supplier Finance Arrangements

The following new standards and amendments are effective for the first time for periods beginning on or after 1 January 2025:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability.

The adoption of the amendments above has resulted in no impact for the Company.

2.5 *Revenue*

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to a customer.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(i) *Rendering of services*

Revenue from providing services is recognised in the accounting period in which the services are rendered.

For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

Where contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. For service contracts including a goods element, revenue for the separate good is recognised at a point in time when the good is delivered, the legal title has passed and the customer has accepted the good.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management. In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (Continued)

2. ACCOUNTING POLICIES (Continued)

2.5 *Revenue (continued)*

(ii) *Royalties*

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably). Royalties determined on a time basis are recognised on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

2.6 *Administrative expenses*

The administrative expenses of the Company are recognised in the financial statements on an accrual basis.

2.7 *Foreign currencies*

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.8 *Impairment of non-financial assets (excluding inventories and deferred tax assets)*

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('Gus'). Goodwill is allocated on initial recognition to each of the Group's Gus that are expected to benefit from a business combination that gives rise to the goodwill.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

2.9 *Investments in subsidiaries and associates*

Subsidiary companies are all entities that are controlled by the Company. Control is achieved when the Company is exposed to, or has the rights to, variable returns from its involvement in with the subsidiary and has the ability to affect those returns through its power over the subsidiary

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (Continued)

2. ACCOUNTING POLICIES (Continued)

Investments in subsidiaries and associates (continued)

Associated companies are all the entities over which the Company has a significant influence, but do not have control over the financial and operating policies, generally with an ownership between 10% and 50%.

Investments in subsidiaries and associates are recorded when formed or purchased at cost and are subsequently adjusted via the equity method. The Company's investments in subsidiaries and associates include Goodwill identified in the acquisition, net of any loss due to accumulated impairment.

The Company's participation in the profit or loss after the acquisition of its subsidiaries and associates are recognized in results, and its interest in the equity activities after the acquisition is recognized under reserve within Net Equity. When the Company's interests in the loss of a subsidiary or associate is the same or higher than its investment in it, including any other non-insured account receivable, the Company will not recognize additional loss, unless it has incurred in obligations or performed payments on behalf of the associate.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Company's investment in a subsidiary or associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

2.10 *Current and deferred tax*

The charge for taxation is based on the profit or loss for the financial year and takes into account deferred taxation where transactions or events give rise to temporary differences between the treatment of certain items for taxation and for accounting purposes. A provision is made in full for deferred tax liabilities. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the benefit can be realised.

Current tax is provided at the amounts expected to be paid or recovered under the tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is measured at the rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are not discounted.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2024 (Continued)

2. ACCOUNTING POLICIES (Continued)

2.10 *Current and deferred tax (continued)*

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes, assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Pillar II

The Organisation for Economic Co-operation and Development's ('OECD') introduced Pillar Two Model Rules providing for a global minimum tax of 15% applicable to multinational enterprise groups with a global turnover of €750 million or more. Pillar Two legislation has been enacted in the jurisdiction in which the Company operates, effective from 1 January 2024. The Company is part of the Hortifrut Chile S.A. group ("Group"), which falls within the scope of Pillar Two.

The overall impact is not fully known or reasonably estimable as of 31 December 2024. The Group will continue to assess and monitor its exposure to Pillar Two taxes on a jurisdiction-by-jurisdiction basis, however, does not expect Pillar Two taxes to have a material impact on the Company.

2.11 *Intangible assets*

(i) *Intangible assets acquired separately*

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Patents

10 years

(ii) *Internally-generated intangible assets*

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (Continued)

2. ACCOUNTING POLICIES (Continued)

2.11 *Intangible assets (continued)*

(ii) *Internally-generated intangible assets (continued)*

- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.12 *Cash and cash equivalents*

Cash and cash equivalents correspond to money balances held in current bank accounts, term deposits and other financial investments with a maturity of less than 90 days, which do not have restrictions of use.

2.13 *Financial instruments*

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

The financial instruments held by the Company including the following:

- Accounts receivable with related entities - held at amortised cost
- Accounts receivables with third parties - held at amortised cost
- Cash and cash equivalents - held at amortised cost

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (Continued)

2. ACCOUNTING POLICIES (Continued)

2.13 *Financial instruments (continued)*

Under IFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model for managing the asset. Classification determines how the financial assets are accounted for in the financial statements and, in particular, how they are measured on an ongoing basis. IFRS 9 also introduces one impairment model i.e. expected credit losses model. Specifically, entities are required to account for expected credit losses from when the financial instruments are first recognised.

Trade debtors without significant financing components are initially valued at the price of the transaction. The rest of the financial assets are measured at fair value plus transaction costs directly attributable to their acquisition or issuance.

All recognised financial assets that are within the scope of IFRS 9 are required to subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by loss due to impairment.

Financial assets at amortised cost

Financial assets are measured at amortised cost only if both the following criteria are met: the objective of the company's business model is to hold the asset to collect the contractual cash flows; and the contractual terms give rise on specified dates to cash flows that are SPPI on the principal outstanding, interest being consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement.

Financial assets meeting these criteria are measured initially at fair value. As the financial assets of the Company met the above criteria, they have been valued at amortised cost. All other assets are classified as current as they are expected to be realised within twelve months of the reporting date.

Impairment of financial assets

In line with IFRS 9, the Company is required to determine the impairment of the financial assets on an 'Expected Credit Loss' ("ECL") basis. Financial assets that are classified as Fair value through profit and loss do not need to be assessed for impairment as they are already recorded at fair value which reflects credit risk at the measurement date.

The Company has developed a simplified focus for the measuring of its expected credit loss, as stated in IFRS 9, considering the validity term of its amounts receivable (life of the asset).

To measure expected credit loss, amounts receivable are grouped by function based on homogenous risk characteristics and are stratified as per past due days. To this grouping, the expected credit loss rates are applied, which consider the historical recoverability behaviour of the Company's amounts receivable, also including, when necessary, the particular recognition of prospective macro-economic effects which affect customers' credit worthiness, as is stated in IFRS 9, from the initial recognition of amounts receivable.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (Continued)

2. ACCOUNTING POLICIES (Continued)

2.13 *Financial instruments (continued)*

Impairment of financial assets (continued)

The Company is required to calculate an ECL provision which represents an unbiased (i.e. neutral, not optimistic or pessimistic) probability weighted estimate of the present value of cash shortfalls which is determined by evaluating a range of possible outcomes. Cash shortfalls are the difference between the cash flows that are due to the Company in accordance with the contractual terms of the financial asset and the cash flows that the Company expects to receive.

The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR.

ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL i.e. lifetime ECL that results from default events on the financial instrument that are possible within 12 months after the reporting date (Stage 1); or
- Full lifetime ECL i.e. lifetime ECL that result from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3).
- A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default ("PD") which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

Amounts receivable write-offs

The Company writes off amounts receivable when there are no reasonable expectations to totally or partially recover a financial asset or when all the prejudicial or judicial collection instances have been realized. When this happens, the Company proceeds to write-off the assets against the constituted estimation of uncollectible.

2.14 *Trade payable accounts and other accounts payable*

Book values recognized within payable trade accounts are initially recognized at their fair value and are subsequently valued at the amortized cost using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (Continued)

2. ACCOUNTING POLICIES (Continued)

2.15 *Taxation*

Income tax expense comprises current tax and deferred tax. Income tax expense is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly as equity, in which case it is recognised as equity.

Current tax is based on taxable profit for the financial year as calculated in accordance with the Irish Tax Laws. Taxable profit differs from profit before tax as reported in the statement of comprehensive income because it excludes items of income or expense that are not taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the date of the Statement of Financial Position.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the Statement of Financial Position method. Deferred tax liabilities are recognised for all taxable temporary difference and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

2.16 *Share capital*

Share capital is issued in US Dollar (US\$). The ordinary share capital of the Company is presented as equity.

HORTIFRUT GENETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 December 2024 (Continued)

4. TURNOVER

The following is an analysis of the Company's revenue for the financial period from continuing operations:

	2024	2023
	\$	\$
Revenue from plant sales, breeding services and royalties	<u>35,497,936</u>	<u>25,324,936</u>
Analysis of revenue by country of destination:		
	2024	2023
	\$	\$
Republic of Ireland	13,623,163	11,243,539
Rest of the world	21,874,787	14,081,397
	<u>35,497,936</u>	<u>25,324,936</u>

No consideration from contracts with customers has been excluded from amounts presented or described above.

5. EMPLOYEES

The company has only 1 (2023: 1) employee other than the directors, director remuneration details is outlined in note 6.

	2024	2023
	\$	\$
Wages and salaries	66,444	24,712
Social welfare costs	7,018	2,731
	<u>73,463</u>	<u>27,443</u>

HORTIFRUT GENETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 December 2024 (Continued)

6. DIRECTORS' REMUNERATION

	2024	2023
	\$	\$
Wages and salaries	173,746	304,570
Social welfare costs	19,328	33,655
	<u>192,984</u>	<u>338,225</u>

7. FINANCE INCOME AND EXPENSE – RECOGNISED IN PROFIT OR LOSS

	2024	2023
	\$	\$
<i>Finance expense:</i>		
Bank interest payable	6,173	6,280
Net finance expense recognised in profit or loss	<u>6,173</u>	<u>6,280</u>

The above is associated with financial instruments measured at amortised cost.

8. TAX EXPENSE

(a) <i>Income tax recognised in profit or loss</i>	2024	2023
	\$	\$
Current tax:		
Current tax on profits for the financial year	-	285,044
Deferred taxation:		
Origination and reversal of timing differences	(70,411)	(70,411)
	<u>(70,411)</u>	<u>214,632</u>

HORTIFRUT GENETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 December 2024 (Continued)

8. TAX EXPENSE (Continued)

(a) *Income tax recognised in profit or loss (continued)*

The reasons for the difference between the actual tax charge for the financial period and the standard rate of corporation tax in the Republic of Ireland applied to profits for the financial period are as follows:

	2024	2023
	\$	\$
Profit before income taxes	654,506	1,391,967
Tax using the Company's domestic tax rate of 12.5% (2023:12.5%)	81,813	173,996
Items not deductible for the tax purpose	37,776	40,636
Group relief received from group company	(119,589)	-
Other timing differences	(70,411)	-
Total tax expense/ (Income)	<u>(70,411)</u>	<u>214,632</u>

Changes in tax rates and factors affecting the future tax charges

There were no factors that may affect future tax charges.

(b) *Current tax assets and liabilities*

	2024	2023
	\$	\$
Current tax liabilities:		
Corporation tax payable/(receivable)	(942,818)	291,114
	<u>(942,818)</u>	<u>291,114</u>

(c) *Deferred tax balances*

The following is the analysis of deferred tax assets/liabilities) presented in the statement of financial position:

	2024	2023
	\$	\$
Trade charges	799,767	799,767
Capital allowances	359,094	288,683
Total tax expense	<u>1,158,861</u>	<u>1,088,450</u>

HORTIFRUT GENETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 December 2024 (Continued)

9. INTANGIBLE ASSETS

	<i>Patents</i>
	\$
<i>Cost:</i>	
At 1 January 2024	18,776,133
Additions	-
	<hr/>
At 31 December 2024	18,776,133
	<hr/>
<i>Accumulated amortisation and impairment:</i>	
At 1 January 2024	3,755,227
Charge for the year - owned	1,877,613
	<hr/>
At 31 December 2024	5,632,840
	<hr/>
<i>Net book value:</i>	
At 31 December 2024	13,143,293
	<hr/> <hr/>
At 31 December 2023	15,020,906
	<hr/> <hr/>

10. INVESTMENTS IN EQUITY-ACCOUNTED ASSOCIATES

	<i>Hortifrut North America Inc.</i>
	\$
At 1 January 2024	9,606,028
Share of profit of equity accounting investees	286,972
	<hr/>
At 31 December 2024	9,893,000
	<hr/> <hr/>

The following entity has been included in the financial statements using the equity method:

<i>Name of associate</i>	<i>Country of incorporation principal place of business</i>	<i>Relationship to the entity</i>	<i>Proportion of ownership interest held as at (%)</i>	
			<i>2024</i>	<i>2023</i>
Hortifrut North America Inc.	USA	Subsidiary	100	100

HORTIFRUIT GENETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 December 2024 (Continued)

11. TRADE AND OTHER RECEIVABLES	2024	2023
	\$	\$
Current:		
Trade receivables	995,565	789,190
Amounts owed from parent undertaking	6,353,971	5,105,966
Amounts owed from fellow subsidiary undertaking	2,521,178	1,052,764
Prepayments and advances	4,521,387	4,676,259
Other receivables including taxes	998,818	-
VAT receivable	39,342	29,385
	<u>15,430,261</u>	<u>11,653,564</u>

Amount owed from the Parent undertaking

Amounts owed from parent undertaking comprise trade balances that are unsecured, interest free and are repayable on demand.

Amounts owed from fellow subsidiary undertakings

Amounts owed from fellow subsidiary undertakings comprise trade balances that are unsecured, interest free and are repayable on demand.

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purposes of the statement of cash flows comprise:

	2024	2023
	\$	\$
Cash at bank available on demand	2,487,198	2,387,220
Cash and cash equivalents in the statement of cash flows	<u>2,487,198</u>	<u>2,387,220</u>

	2024	2023
	\$	\$
United States Dollar	53,122	288,565
Euro	2,434,076	2,098,655
Cash and cash equivalents in the statement of cash flows	<u>2,487,198</u>	<u>2,387,220</u>

NOTES TO THE FINANCIAL STATEMENTS
31 December 2024 (Continued)

13.	TRADE AND OTHER LIABILITIES	2024	2023
		\$	\$
	Current:		
	Trade payables	3,207,614	2,196,967
	Amounts owed to subsidiary undertaking	458,794	176,856
	Amounts owed to fellow subsidiary undertakings	8,927,107	6,175,278
	Accruals	47,313	79,995
	Other payables – tax and social security payments	-	303,429
	Deferred income	-	2,076,775
		12,640,828	11,009,300
		12,640,828	11,009,300

Trade payables

Trade payable amounts are payable at various dates in the three months after the end of the financial year in accordance with the creditors' usual and customary credit terms.

Amounts owed to parent undertakings

Amounts owed to parent undertakings comprise trade balances that are unsecured, interest free and are repayable on demand.

Amounts owed to subsidiary undertaking

Amount owned to subsidiary undertakings materially relates to the IP acquired in the FY22 and other trade charges.

Amounts owed to fellow subsidiary undertakings

Amounts owed to fellow subsidiary undertakings materially relates to the annual licence and trade balances that are unsecured, interest free and are repayable on demand.

14. SHARE CAPITAL

Issued and fully paid:

	<i>Number</i>	<i>\$</i>
<i>Ordinary share capital shares of \$1.00 each</i>		
At 1 January 2023	8,473,531	8,473,531
Shares issued	21,219,762	21,219,762
	29,693,293	29,693,293
At 31 December 2023	29,693,293	29,693,293
Shares issued	-	-
	29,693,293	29,693,293
31 December 2024	29,693,293	29,693,293

NOTES TO THE FINANCIAL STATEMENTS
31 December 2024 (Continued)

15. RESERVES

The Company's reserves are as follows:

Retained earnings

The retained earnings account represents cumulative gains and losses net of transfers to/from other reserves and dividends paid.

16. FINANCIAL INSTRUMENTS

Financial instruments in the Company primarily take the form of loans to/from group undertakings within the Hortifruit Group. Amounts due to or from group undertakings in the form of inter-company loans are interest free and are repayable upon demand and further details of these have been given in Notes 10 and 12 of these financial statements.

The Company has various other financial assets and liabilities, such as receivables, cash at bank and payables, which arise directly from its operations.

The Company does not undertake hedging activities on behalf of itself or other companies within the Group.

	31 December 2024		31 December 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
<i>Financial assets held at amortised cost:</i>				
Trade and other receivables	15,430,261	15,430,261	11,653,564	11,653,564
Cash and cash equivalents	2,487,198	2,487,198	2,387,220	2,387,220
	<u>17,917,459</u>	<u>17,917,459</u>	<u>14,040,784</u>	<u>14,040,784</u>

The carrying amount of current accounts receivable, cash and cash equivalents, and other financial assets and liabilities is close to the fair value because of the short-term nature of these instruments and for trade and other accounts receivable, because any loss due to recoverability is already reflected in the loss due to impairment provisions.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2024 (Continued)

16. FINANCIAL INSTRUMENTS (Continued)

FINANCIAL INSTRUMENTS - RISK MANAGEMENT

Financial risk management objectives

The main risks arising from the Company's financial instruments are foreign currency risk and credit risk.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The main exposures refer to exchange rate fluctuations of US Dollar versus Euro.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	31 December 2024		31 December 2023	
	Liabilities	Assets	Liabilities	Assets
	\$	\$	\$	\$
Currency:				
Euro	-	53,122	-	288,565
United States Dollar	-	2,434,076	-	2,098,655
	-	2,487,198	-	2,387,220

Credit risk management

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents and trade and other receivables.

As at 31 December 2024, the amount of trade and other receivables that were past due and impaired was \$4,963 (2023: \$1,004,571).

The credit risk associated with the Company's financial assets principally relates to inter-company loans and the credit risk of the Hortifrut Group as a whole. Hortifrut has received local A+ (stable outlook) and AA- (stable outlook) credit rating from Humphrey's and ICR Chile respectively.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2024 (Continued)

16. FINANCIAL INSTRUMENTS (Continued)

Credit risk management (continued)

The Company's maximum exposure to credit risk by class of financial asset is as follows:

	2024	2023
	\$	\$
Intangible assets	13,143,293	15,020,906
Investments in subsidiaries and associates	9,893,000	9,606,028
Trade and other receivables	15,430,261	11,653,564
Cash and cash equivalents	2,487,198	2,387,220
Total	<u>40,953,752</u>	<u>38,667,718</u>

The Company has policies in place to ensure that deposits are placed with high-credit quality banks.

17. RELATED PARTY TRANSACTIONS

Details of transactions between the Company and its related parties are disclosed below.

The company had no key employees other than the directors and the directors' remuneration has been disclosed in the directors' remuneration note 6.

Transactions with parent undertakings

Transactions with parent undertakings refer to transactions with entities that controls, either directly or indirectly, the Company and its subsidiaries.

Sales and purchased to parent undertakings amounted to \$13.6 million (2023: \$10.5 million) and \$Nil (2023: \$Nil).

Transactions with subsidiary undertakings

Sales to the subsidiary undertakings amounted to \$Nil (2023: \$0.03 million).

Additionally, during the period ended 31 December 2022, the company purchased intangible assets from Hortifrut North America Inc. for \$18,776,133.

Refer to note 13 for the outstanding balances as at 31 December 2024 and 2023.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (Continued)

17. RELATED PARTY TRANSACTIONS (Continued)

Transactions with fellow subsidiary undertakings

Sales and purchases to the fellow subsidiary undertakings amounted to \$15.7 million (2023: \$13.08 million) and \$3.1 million (2023: \$1.5 million). Refer to notes 11 and 13 for the outstanding balances as at 31 December 2024 and 2023.

During the period ended 31 December 2022, the company entered a agreement with its fellow subsidiary company, Hortifrut Chile S.A. whereby the company licensed (or assigned) the economic use of certain intangible assets to the company. This agreement involves a consideration of five annual royalties of \$6,398,139 each year. Refer to note 7 for the recognised finance expense in relation to the annual license payment. Refer to notes 11 and 13 for the outstanding balances as at 31 December 2024 and 2023.

Transactions with other related parties

Sales to the entity with the common shareholder amounted to \$1.2 million (2023: \$1.72 million)

18. CAPITAL MANAGEMENT

The Company's financial objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated by the Company as total borrowings less cash and cash equivalents. Total equity is calculated as equity, as shown in the Statement of Financial Position.

The Company is not subject to any externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2024 (Continued)

18. CAPITAL MANAGEMENT (Continued)

The gearing ratio at 31 December 2024 was as follows:

	2024	2023
	\$	\$
Debt	-	-
Cash and cash equivalents	(2,487,198)	(2,387,220)
Net debt	<u>(2,487,198)</u>	<u>(2,387,220)</u>
Capital and reserves	29,471,785	28,746,868
Total equity	<u>29,471,785</u>	<u>28,746,868</u>
Net debt to total equity ratio	(8.4) %	(8.3) %

19. HOLDING COMPANY

The company is 100% owned by Hortifrut Limited, a company incorporated in the Republic of Ireland. The ultimate parent company is Hortifrut S.A., a company incorporated in Chile. On May 19, 2024, Hortifrut S.A. announced that the Comisión para el Mercado Financiero (CMF) had processed and accepted its request to deregister the company's shares. Consequently, the shares of Hortifrut S.A. were delisted and are no longer traded on public stock markets, including the Santiago Stock Exchange and the Chilean Electronic Stock Exchange.

20. POST BALANCE SHEET EVENTS

There have been no significant events since the Statement of Financial Position date.

21. APPROVAL OF FINANCIAL STATEMENTS

The board of directors approved these financial statements for issue on 17 December 2025