

ANNUAL REPORT ASSOCIATION HZPC

2023 - 2024

These financial statements are an English translation of the financial statements prepared on 29 October 2024. In case of any discrepancies or possible differences in interpretation between the English translation and the financial statements prepared on 19 October 2023, the latter prevail.

You can find the Dutch annual report of Association HZPC on the website under the heading governance.



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01 REPORT OF THE BOARD



On the eve of a transformation

Our resilience and agility were put to the test once again this year. Licensed crops in Asia and America took off, while harvests in north-western Europe were disappointing for several reasons. It was a year of peaks and troughs. Our percentage sold as seed potatoes this year was much higher than in previous years and that translated into a good payout price for our growers.

A new balance

Across the board, we see a new balance emerging. Our strategy of focusing on different segments and regions works to our advantage. Where we lose out in yield and acreage in Europe, we can make huge strides in other parts of the world. Indeed, there is still a world to be won, considering that we now cover only 4% of the world's potato acreage with our varieties.

Unruly

In 2023-2024, we did not manage to grow. We had not anticipated this. No one had predicted such a challenging growing season and it reminded us, once again, just how unruly and unpredictable seed potato growing can be. It also underscored the importance of resilience and agility. For us, but also for our employees, growers, customers and partners. We have demonstrated that again this year.



Planting Innovator in Marrum, Friesland, Netherlands

Well worth the wait

We want to stress that global growth does not come at the expense of north-western Europe in general and the Netherlands in particular. Nothing could be further from the truth. Thanks to growth elsewhere in the world, we can invest in research and accelerate the development of new varieties. Over the next 10 years, the market will see the emergence of varieties from HZPC and STET whose impact on our growers, customers and the environment will be unprecedented. And then there's our contribution towards worldwide food security. This may require a little patience, but will be well worth the wait

Things can and should be different

We are on the eve of a transformation within the seed potato sector. This stems partly from the need to become more sustainable, but is mainly driven by our own conviction that things can and should be done differently. That is why we are working with Aurora (our business transformation programme) to strengthen and improve our own internal organisation. We are focussing on acceleration within our breeding programme; making the case for new technologies. Paving the way for others and asking growers, customers, partners and employees to join in. Together, we have an exceptionally bright future ahead of us.



Proud

With this annual report, the CEO of Royal HZPC Group B.V., Gerard Backx is not only concluding the 2023-2024 financial year, but also his career at Royal HZPC Group B.V. On 1 September 2024, he stepped down as CEO and Hans Huistra succeeded him. A well-considered choice on his part, but after 23 years, it signifies considerable change. Gerard has seen Royal HZPC Group B.V. grow from a Dutch seed potato company to a global market leader. He found it fantastic to witness that. He is proud of how we realized that development with our employees, growers, partners and customers. He wishes Hans much success, but above all a lot of fun in leading this wonderful

company. Gerard looks back on the past 23 years with satisfaction. He thanks everyone who has been part of that. We are grateful for the great contribution Gerard has made to the development of HZPC with a lot of passion, effort, knowledge and commitment to growers, breeders and colleagues.

Structure

The Association HZPC owns 100% of the shares in the company, making it the sole shareholder of Royal HZPC Group. The Association HZPC has issued all the shares in the form of certificates to natural persons and legal entities that comply with specific requirements. On behalf of its members, the Board of Association HZPC carries out the duties of shareholder at the General Meeting of Shareholders of Royal HZPC Group. All of the activities of Royal HZPC Group focus on the potato product. HZPC carries out research, breeds varieties and grows seed potatoes, ware potatoes and mini-tubers. In addition, Royal HZPC Group is working on other business models such as Woksi, which could offer support to the sales of HZPC's seed potatoes internationally.

As a result of the international growth of Royal HZPC Group, the issues are no longer focused entirely on the interests of Dutch growers. The Board of Association HZPC aims to represent the interests of all members both nationally and internationally. Members here include (former) growers, (former) breeders and (former) staff members. The autonomy and continuation of the HZPC organisation are therefore a guiding principle for the Board.

Price development of certificates traded 2023-2024

This report deals specifically with the activities of Association HZPC. November 2023 and May 2024 were the periods when ongoing trading could take place in HZPC certificates for two weeks, on the Captin trading platform. As a result, the price was set on a daily basis. It was also possible for all certificate holders to see what was being traded and the various price movements.

On the HZPC certificate exchange, liquidity is often relatively limited. This year, however, a total of more than 25,000 certificates were traded in November 2023 and May 2024. This is more than 3% of the total number of outstanding certificates. In November 2023, the new weighted average share price was set at EUR 88.95 and by May 2024, it had further increased to EUR 102.46. We can once again look back on well-run trading periods.

The Board of the Association HZPC closely monitors the HZPC certificate trade to ensure that trading runs properly. However, the price is set entirely on the basis of supply and demand and in the maximum bandwidth within which the share certificates can move. Orders and trades are processed and taken care of by Captin.

Connecting Growers 2023-2024

The board of Association HZPC has been able to fully implement the Connecting Growers Programme again this year. At the request of the Association HZPC, the Connecting Growers (CG) HZPC Foundation purchased certificates for EUR 1.5 million in November 2023 and May 2024. In recent years, the CG HZPC Foundation managed to buy certificates for EUR 1.5 million relatively easily in the trading period, except in 2022/2023 when the value was EUR 1.1 million. The inability to buy the required certificates at that time was down to insufficient supply. This was not the case in 2023/2024. HZPC has bought a total of 15,000 certificates for the Connecting Growers programme for EUR 1.5 million over the past two trading periods.

The Connecting Growers programme has been rolled out to growers from six EU countries, i.e. the Netherlands, Belgium, France, Poland, Germany and Finland. The aim of the Connecting Growers programme is to ensure that the majority of certificates remain in the hands of growers who grow for entities of Royal HZPC Group B.V. The

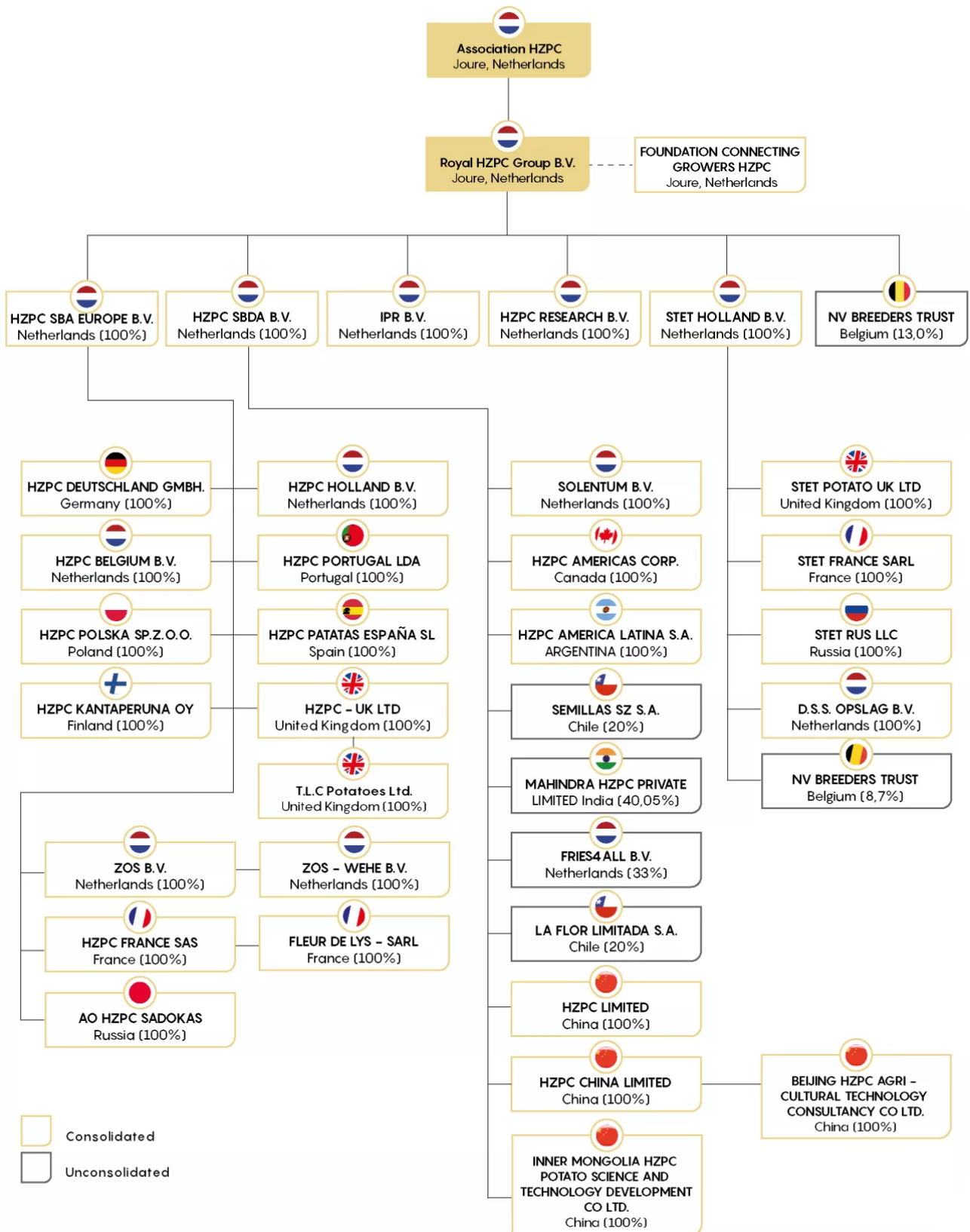
Association HZPC, the Supervisory Board and the executive team believe it is important that the Association HZPC and the company continues to be 'for and of' active growers. The Board of Association HZPC hopes to continue this Connecting Growers Programme in the coming years, but this will partly depend on the growers' appreciation of the CG Programme in relation to the cost of EUR 1.5 million.

As a result of changing laws and regulations, the certificates purchased by CG HZPC Foundation under this programme are only allocated to growers who have a growing contract for 2024 in the EU with Royal HZPC Group and have completed the full identification process via Captin. Participation in Connecting Growers has consequently reduced slightly. The Association HZPC regrets that not all growers in the six countries have completed the identification process with Captin. As a result, more than 400 growers failed to get 1.26 certificates per hectare worth EUR 102.46 per certificate.

Many active growers, mainly in outlying countries, have not completed the identification process. It has become clear that communication still needs to be improved. The Board of Association HZPC is naturally disappointed with participation of almost 50% of growers who have signed a seed potato production contract. During the evaluation of this programme in October 2023, a decision was made to continue with the Connecting Growers programme. Action will have to be taken, however, to ensure that growers complete the identification process on Captin's platform. It is important that all participants in the Connecting Growers programme identify themselves to Captin by logging into their Captin accounts. If this fails, they can contact Captin by phone or e-mail. The HZPC company cannot help with this for privacy reasons. So the growers will have to do it themselves. This year, the Board once again decided that participants in the Connecting Growers' programme who have not identified themselves to Captin by the start of 2024 will be excluded from the Connecting Growers programme in 2024.

On behalf of the Board
Egbert de Vries

Organisation structure



Results and dividend 2023-2024

Royal HZPC Group B.V. has a net result of EUR 5.9 million which does not include a charge of EUR 1.5 million for the Connecting Growers programme. The dividend is based on the result before processing the costs of the Connecting Growers programme.

When the costs of Connecting Growers are included, the result comes to EUR 4.657 million. The return on equity of Royal HZPC Group B.V. excluding Connecting Growers is 11.17%. This is in line with the historical average.

The dividend received from Royal HZPC Group B.V. (after deduction of dividend tax) will be passed on one-to-one to the certificate holders.

Special focus on new Business Transformation Program 2023-2024

Besides focusing on the market, the Association HZPC's Board has also paid particular attention to the Business Transformation Program Aurora. In July 2023, a decision was made to approve the budget for the second year of Aurora. Subsequent budgets will be assessed on the basis of milestones achieved. Aurora will be on the agenda of every meeting of the Board for the coming years.

Research & Development 2023-2024

Royal HZPC Group invests in Research & Development. This is a fixed item on the agenda in discussions between the SB, the Executive Board and the board of Association HZPC. This concerns questions such as: What should Royal HZPC Group do in this area? How much money are we investing in it? In which areas can we cooperate?

Developments in plant breeding come about quickly. In the past, HZPC has invested a great deal in techniques which accelerate breeding and make the process more effective. These investments are beginning to bear fruit and the varieties that are being introduced now and in the future will represent a significant improvement on past varieties. In the past year, great results have also been achieved in the hybrid potato breeding programme. Hybrid potato varieties allow botanical potato seed to be produced and distributed.

These developments are expected to be a genuine 'game changer' in the longer term for potato production across the world. This means that there must be a disciplined, regular review of these developments. Executives lead the way. The Supervisory Board provides advice and takes a critical look at whether we are on the right course. The Board of Association HZPC maintains an appropriate distance.

Risks 2023-2024

The risks for Association HZPC are limited. Ensuring that the trade in share certificates for Royal HZPC Group B.V. runs smoothly is an important activity. The responsibility for and execution of this has been in the hands of Captin since May 2022. This is a professional party and means the risks associated with this trade are mitigated. The Board of Association HZPC will continue to closely monitor the process.

General Meeting of Shareholders

The Royal HZPC Group B.V. Articles of Association stipulate which decisions have to be presented to the General Meeting of Shareholders and, therefore, to the Board of Association HZPC for approval. There were 4 General Meetings of Shareholders/Certificate Holders. These encompassed discussions about a joint venture in the Middle East, the future of the Connecting Growers Programme, liquidation DSS and possible acquisitions and divestments. The Association HZPC's Board met six times.

Appointments

Below are the changes that have taken place.

With regard to roles within the Board of Growers: Mr A. Vael stepped down in July 2023. Mr A. Vael resigned early from the Board of Growers to focus on his political career. Ms Brooijmans took over his role. The board change took place during the HZPC Field Day in Zeeland in July 2023. The chair is Mr D. Gesink and the secretary is Mr J.M. Hendrikse.

In the Youth Board: in October 2023, Mr M. Duisterwinkel stepped down and Mr M. Wierenga was appointed. The chair is Mr H. Plomp and the secretary is Mr E. Goodijk.

In the Board of Breeders: Since March 2024, Messrs Hiddema, Doppeberg and v/d Werff have resigned.

Personal details as of 30 June 2024

Board

E.P de Vries	Chairman	Kantens
M. Verhage	Vice Chairman	Emmeloord
S.G. Andringa	Secretaris	Oostbierum
R.P. Smith		Terheijden
M.Wijtten		De Cocksdorp

Board of Growers

D. Gesink	Chairman	Mensingeweer
M.S Slot	Vice Chairman	De Cocksdorp
J.M. Hendrikse	Secretaris	Creil
A. Vaandrager		Luttelgeest
A. Jensma		Oudebildtzijl
A. Doppenberg		Anna Paulowna
R. Rozema		Niezijl
H. Anema		Nes
P.K. Westerhuis		Usquert
W. Sijtsma		Pingjum
P. Brooijmans		Kuitaart

Board of Breeders

J. Scholten-Beets	Chairman	Molenrij
C.J. Biemond	Member	Ulrum
F. van der Zee	Member	Kloosterburen
D. Anema	Member	Damwâld

Youth Board

H. Plomp	Chairman	Rutten
E. Goodijk	Secretaris	Sexbierum
B. Westerhuis		Usquert
T. van Dijke		Mijnsheerenland
S. van der Hem		Lelystad
J.W. Sinnema		Dronrijp
K. van der Spek		Houwerzijl
H. Hoogterp		Firdgum
J. Bartelen		Oud Gastel
S. Keppel		Anna Paulowna
F. Biemond		Eenrum
B. Witte		De Waal
M.Kamp		Rutten
L. Sijtsma		Ternaard
M. Wierenga		Zeerijp

- In October 2023, Mr M. Duisterwinkel stepped down and Mr M. Wierenga was appointed.
- The secretary is not appointed for a long term. This will be someone else from October 2024.

02 FINANCIAL STATEMENTS



Balance sheet as of 30 June 2024

Assets

in EUR x 1.000

Balance sheet at 30 June 2024 (after appropriation of result)

	Notes	30-Jun-24	30-Jun-23
FIXED ASSETS			
Financial fixed assets			
Shares of Royal HZPC Group B.V. on behalf of certificate holders	1	P.M.	P.M.
TOTAL FIXED ASSETS		P.M.	P.M.
CURRENT ASSETS			
Receivables			
Dividend to be received from Royal HZPC Group B.V.	2	3.464	3.997
Current account Royal HZPC Group B.V.	3	306	306
		3.770	4.303
Banks	4	12	12
TOTAL CURRENT ASSETS		3.782	4.315
TOTAL ASSETS		3.782	4.315

The HZPC Association does not have beneficial ownership of the shares it holds under management, so the shares are not recognised as an asset in the financial statements of HZPC Association. Also, the HZPC Association has no obligations to its certificate holders for the issued share certificates, other than the payment to the certificate holders of the benefits made available linked to the shares, such as dividends received. The HZPC Association therefore does not include the shares held in trust and the share certificates issued in the balance sheet. The shares and certificates have therefore been accounted for as pro memoria (PM) in the balance sheet.

Liabilities

in EUR x 1.000

Balance sheet at 30 June 2024 (after result appropriation)

	Notes	30-Jun-24	30-Jun-23
Equity	5	318	318
Long-term liabilities			
Share certificates issued		P.M.	P.M.
		P.M.	P.M.
Current liabilities			
Dividend to be paid to certificate holders		3.464	3.997
		3.464	3.997
TOTAL EQUITY AND LIABILITIES		3.782	4.315

Profit and loss account for financial year 2023/2024

in EUR x 1.000

	Notes	2023/2024	2022/2023
REVENUES		0	0
COSTS			
Other operating costs	6	253	237
Charged to Royal HZPC Group B.V.		-253	-237
Total expenses		0	0
Net result		0	0

Notes to the accounting policies for the annual accounts

Foundation of Association HZPC

The Association, with Chamber of Commerce number 01086659, was founded on 29 November 1999 by means of a legal merger between Coöperatie De ZPC Pootgoed Belangen B.A. and Stichting Administratiekantoor Hettema, which were both converted to form part of the Association.

The Association HZPC has the legal ownership of 100% of the shares in Royal HZPC Group B.V. in Joure.

Activities

The objective of the Association is:

- the issuing and management of share certificates in the Company;
- promoting certain material interests of its members/certificate holders;
- promoting certain material interests of its growers;
- promoting certain material interests of its breeders.

Financial reporting period

The financial year of the Association HZPC runs from 1 July up to and including 30 June.

Applied standards

The financial statements have been prepared in accordance with Title 9, Book 2 of the Netherlands Civil Code.

The accounting policies applied to the valuation of assets and liabilities and result determination are based on the historical cost convention, unless indicated otherwise.

Principles for the valuation of assets and liabilities and the general determination of the result

Continuity

The continuity of the Association HZPC is minimally influenced by economic circumstances. The costs of the association are primarily caused by facilitating the trade in Royal HZPC Group B.V. share certificates. The costs are fully reimbursed by Royal HZPC Group B.V.. Otherwise, the association has practically no costs.

The dividends received from Royal HZPC Group B.V. are paid onto certificate holders after deduction of dividend tax.

General

An asset is disclosed in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the value of the asset can be measured reliably. A liability is recognised in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be determined with sufficient reliability. Income is recognised in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be reliably determined. Expenses are recorded when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be determined with sufficient reliability. If a transaction results in a transfer of all or virtually all future economic benefits and when all or virtually all risks relating to assets or liabilities transfer to a third party, the asset or liability is no longer included in the balance sheet. In addition, assets and liabilities are no longer included in the balance sheet starting from the time at which the conditions of probability of the future economic benefits and reliability in determining the value are no longer satisfied.

The annual accounts are presented in euros; the Association's functional currency. All financial information in euros is expressed in thousands and rounded to the nearest thousand unless otherwise indicated.

Determination of the result

Revenues and expenses are allocated to the period to which they relate. Revenues are accounted for if all important risks with regard to the commodities are transferred to the purchaser. The operational expenses are borne by Royal HZPC Group B.V..

Use of estimates

The preparation of the annual accounts requires the Board to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. Actual results may differ from these estimates.

The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are included in the period in which the estimate is revised and in future periods for which the revision has consequences. There are no significant estimates in the annual accounts.

Financial instruments

Financial instruments include primary financial instruments such as receivables and payables, as well as derivative financial instruments. Reference is made to notes as per the balance sheet item for the accounting principles of the primary financial instruments.

Financial fixed assets

Equity interests and certificates where no significant influence is exercised are stated at cost or lower realisable value.

The loans are initially recorded at fair value, including discount or premium and directly attributable transaction costs. After initial inclusion, loans are shown at amortised cost using the effective interest method, less impairment losses.

The other financial fixed assets are valued at fair value on initial processing, plus transaction costs (if material). After initial processing, the assets are measured at amortised cost using the effective interest method, less any impairment losses. Income from receivables and other securities allocated to financial fixed assets are accounted for in the year to which they relate.

Dividends are accounted for in the period to which they relate. Interest income is recorded in the profit and loss account on an accrual basis, using the effective interest rate method. Any profit or loss is recorded under financial income or expenses.

Receivables

Receivables are measured at fair value on initial processing, plus transaction costs (if material). After initial processing, the assets are measured at amortised cost using the effective interest method, less a provision for non-collectable debts. These provisions are determined by individual assessment of the receivables.

Cash

Cash is valued on the basis of nominal value. If cash is not freely available, this is taken into account during the valuation.

Classification of equity and debt

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under shareholders' equity.

Payments to holders of these instruments are deducted from the shareholders' equity after deduction of any related benefit due to tax on profit.

Financial instruments that are designated as a financial liability by virtue of the economic reality are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recorded in the profit and loss as financial income or expense.

Long-term and current liabilities

Long and short-term debts and other financial obligations are initially recorded at fair value, including discount or premium and directly attributable transaction costs. After initial inclusion, the long and short-term debts and other financial obligations are valued at amortised cost on the basis of the effective interest method.

Revenue recognition

The Association includes the revenues under net sales when all significant rights to economic benefits as well as all significant risks with regard to the transactions are transferred to the purchaser, when delivery has taken place, the price has been or can be determined and there is reasonable certainty that the sales price can be collected. Generally these criteria are satisfied at the moment the product or service is delivered and acceptance, if required, is obtained.

Costs

Expenses are allocated to the period to which they relate. The operational expenses are borne by Royal HZPC Group B.V.

Tax on the result

Association HZPC is not independently liable to taxation.

Related parties

Transactions with related parties will be explained if they are not entered into under normal market conditions. The nature and scope of the transaction and other information will be provided for these transactions in order to provide further insights.

Post-balance sheet events

Events which provide further information about the actual situation as of the balance date and which occur up to the date upon which the annual accounts are drafted will be encompassed within the annual accounts. Events which provide no further information about the actual situation as of the balance date will not be encompassed within the annual accounts. If such events are significant in order for the users of the annual accounts to form an opinion, the nature and estimated financial consequences will be described in the annual accounts.

Notes to the balance sheet

1. Shares in Royal HZPC Group B.V. on behalf of certificate holders

NAME	STATUTORY HEAD OFFICE	NUMBER OF SHARES
Royal HZPC Group B.V.	Joure	783.725

No changes occurred in the 783,275 Royal HZPC Group B.V. shares. These shares are valued at the nominal value of 20 euros per share. Association HZPC manages the shares for the certificate holders and as such, the Association may, subject to its articles of association and the Regulations on Conditions for Administration, perform all acts of management and disposition in relation to these shares. Association HZPC shall not dispose of or pledge, other than by way of exchangeability, shares in the company it holds in its own right without the approval of the General Meeting of Association HZPC. The Association has issued one certificate for each share.

Certificate holders include growers, seed potato growers, ware potato growers, former growers, former breeders, employees and/or former employees, as defined in the Regulations on Conditions for Administration. In addition, Captin B.V. and Euroclear Nederland may obtain and hold certificates under the Securities Giro Act. If a certificate holder does not (or no longer) meet the quality requirements, the Association may instruct Captin B.V. to sell the relevant certificates on behalf of the certificate holder.

2. Dividend to be received from Royal HZPC Group B.V.

Association HZPC receives a dividend from Royal HZPC Group B.V., after deduction of the dividend tax, and pays this to the certificate holders in full.

3. Current account Royal HZPC Group B.V.

The current account of Royal HZPC Group B.V. has a maturity of less than one year and is not interest-bearing.

4. Cash

Cash is freely available to the Association.

5. Equity

Reserves	30-Jun-24	30-Jun-23
Opening balance	318	318
Deductions: the results of the financial year	0	0
Closing balance	318	318

The General Meeting will be asked to approve the following appropriation of the 2023/2024 result: an amount of EUR 0 to be added to the other reserves.

Notes to the profit and loss account

6. Other operating expenses

	2023/2024	2022/2023
Cost of trading days	190	168
Organisation costs	63	69
	253	381
Charged to Royal HZPC Group B.V.		
Operational expenses	-253	-237

Association HZPC employed an average of 0 FTEs during the financial year (previous financial year 0 FTEs). Organisational costs consist of organising the trade fairs and allowances to the Board; last year they also consisted of the costs for the transition to the MTF.

Post-balance sheet events

No significant financial events have occurred following the balance sheet date.

Joure, 29 October 2024

The Board of Association HZPC:

E.P. de Vries

M. Verhage

S.G Andringa

R.P. Smith

M. Wijtten

03 OTHER INFORMATION



Profit distribution by virtue of the Articles of Association

The articles of Association of the Association state the following with regard to the result.

3.3 To this end, the Association exercises its influence in the General Meeting of the Company.

3.4 The Association does not aim to distribute profit among its Members.

3.5 The Association shall not dispose of or pledge, other than by way of exchangeability, Shares in the Company it holds in its own right without the approval of the General Meeting.

Independent auditor's report

The following is an English translation of the independent auditor's report issued 29 October 2024

To: the board of directors of Association HZPC

Report on the audit of the financial statements 2023/2024 included in the annual report

Our opinion

We have audited the financial statements for the financial year ended 30 June 2024 of Vereniging HZPC based in Joure, the Netherlands.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Vereniging HZPC as at 30 June 2024 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The balance sheet as at 30 June 2024
- The company profit and loss account for the year then ended
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of Association HZPC (the company) in accordance with the “Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten” (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the “Verordening gedrags- en beroepsregels accountants” (VGBA, Dutch Code of Ethics).

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

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board is responsible for the preparation of the other information.

Description of responsibilities regarding the financial statements

Responsibilities of the board for the financial statements

The board is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board is responsible for such internal control as the board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board is responsible for assessing the association's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board should prepare the financial statements using the going concern basis of accounting unless the board either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so. The board should disclose events and circumstances that may cast significant doubt on the association's ability to continue as a going concern in the financial statements.

The board is responsible for overseeing the association's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board
- Concluding on the appropriateness of the board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an association to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication

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

Groningen, 29 October 2024

EY Accountants B.V.

Signed by J.J. Kooistra