



Statsautoriseret Revisionsanpartsselskab

# Ex-Plant ApS

Odensevej 32  
5620 Glamsbjerg

CVR no. 28 30 66 60

## Annual report

**1 October 2021 - 30 September 2022**

The Annual General Meeting adopted  
the annual report on

6 December 2022

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Chairman of the General Meeting  
Carsten Leth

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## Statements by Management

Today, the Board of Directors and the Executive Board has discussed and approved the annual report of Ex-Plant ApS for the financial year 1 October 2021 – 30 September 2022.

The annual report has been prepared in conformity with the Danish Financial Statements Act.

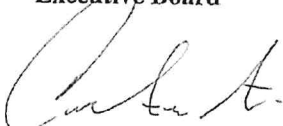
In our opinion, the financial statements give a true and fair view of the association's assets, equity, liabilities and financial position at 30 September 2022 and of its financial performance for the period 1 October 2021 – 30 September 2022.

In our opinion the Management commentary includes a fair review of the matters described.

We recommend that the Annual Report be approved by the Annual General Meeting.

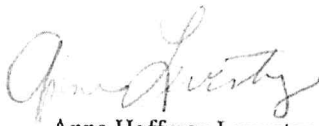
Chicago, 6 December 2022

### Executive Board

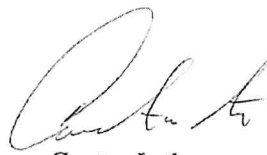


Carsten Leth

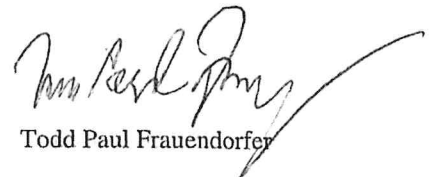
### Board of Directors



Anne Hoffman Leventry  
Chairman



Carsten Leth



Todd Paul Frauendorfer

## **Independent Auditors Report**

### **To the shareholders of Ex-Plant ApS**

#### **Auditor's report on the financial statements**

##### **Conclusion**

We have audited the financial statements of Ex-Plant ApS for the financial year 1 October 2021 – 30 September 2022, which comprise an income statement, balance sheet and notes, including a summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the association's financial position at 30 September 2022 and of the results of the association's operations for the financial year 1 October 2021 – 30 September 2022 in accordance with the Danish Financial Statements Act.

##### **Basis for conclusion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the financial statement" section of our report. We are independent of the association in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of financial statements in conformity with the Danish Financial Statements Act. Management is also responsible for the internal control that it deems necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the associations ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

##### **Auditor responsible for auditing 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 and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually

## Independent Auditors Report

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.
- Obtain 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Management'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 association'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 the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### **Statement on Management's Review**

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

## Independent Auditors Report

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

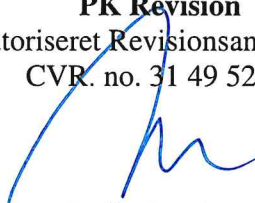
Based on the work we have performed, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management's Review.

Odense, 6 December 2022

**PK Revision**

Statsautoriseret Revisionsanpartsselskab

CVR. no. 31 49 52 88



Palle Knudsen

Certified Public Account

mne11903

## Entity details

<b>Entity</b>	Ex-Plant ApS Odensevej 32 5620 Glamsbjerg
	CVR no.: 28 30 66 60
	Financial year: 1 October - 30 September
	No.: 18 <sup>th</sup> financial year
<b>Board of Directors</b>	Carsten Leth
<b>Executive Board</b>	Anne Hoffman Leventry, chairman Carsten Leth Todd Paul Frauendorfer
<b>Auditor</b>	PK Revision Statsautoriseret Revisionsanpartsselskab Rugårdsvej 46C 5000 Odense C Telefon 65 48 73 00 CVR-nr. 31 49 52 88
	Certified Public Accountant: Palle Knudsen

## **Management Commentary**

### **Main activities of the Company**

The association's activity is production and development of seed processing to horticultural.

### **Development in the year**

The company has continued its normal operating activities in the financial year 2021-22. The management has decided to start winding down production during the coming financial year 2022-23. As a result, the accounts for 2021-22 are therefore characterized by major write-downs on operating equipment, production facilities and leasehold improvements, as well as severance pay for terminated employees. The company will continue the sale of the inventory in the financial year 2022-23

The year's development and results are considered satisfactory, taking into account the future development of production.

### **Material events after the reporting date**

After the end of the financial year, the management has liquidated production, but the company continues to sell off the inventories. In addition, no events have occurred which could significantly affect the company's financial position.



## Accounting policies

### General information

The financial statements of Ex-Plant ApS for the financial year ended 30. September 2022 have been prepared in conformity with the provisions of the Financial Statements Act on class B enterprises combined with a few rules on class C enterprises.

The accounting policies applied in the financial statements are consistent with those of the previous year. The reporting currency is Danish kroner.

### Change in accounting estimates

From and including the current financial year, changes have been made to accounting estimates regarding the assessment of the recovery value of tangible fixed assets, as the management has decided to liquidate production in the coming financial year. This has resulted in a need for depreciation, which is recognized in the income statement.

The accounting effect of depreciation to the changed estimate of the recoverable amount constitutes the following impact on the financial year 2021/22:

Profit and equity impacts:

The result before tax is reduced by a total of DKK 776.986.

The result and equity are reduced by a total of DKK 606.051.

Enable Effects:

Production facilities and machinery are reduced by a total of DKK 251.642.

Other plants, operating equipment and inventory are reduced by a total of DKK 68.658.

Furnishing of rented premises is reduced by a total of DKK 456.686.

No other changes have been made to accounting estimates.

Comparative figures have not been adapted to the changed accounting estimates.

### Recognition and measurement in general

The financial statements have been prepared under the historical cost convention.

Income is recognised in the income statement when earned. Value adjustments of financial assets and liabilities measured at fair value or amortised cost are also recognised in the income statement. Costs incurred to generate the earnings for the year are also recognised in the income statement, including amortisation, depreciation, impairment losses and provisions as well as reversals resulting from changed accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future financial benefits will flow to the Company and it is possible to obtain a reliable measurement of the individual assets.

Liabilities are recognised in the balance sheet when it is probable that future financial benefits will flow from the Company and it is possible to obtain a reliable measurement of

## **Accounting policies**

the individual liabilities.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item.

Certain financial assets and liabilities are measured at amortised cost, whereby a constant effective interest rate is recognised over the life of the individual asset or liability. Amortised cost is determined as original cost less any repayments and with the addition/deduction of the accumulated amortisation of the difference between cost and nominal amount.

Anticipated losses and risks arising before the presentation of the financial statements and confirming or disconfirming facts and circumstances known at the reporting date are taken into consideration at recognition and measurement.

The functional currency used is Danish kroner. All other currencies are considered foreign currencies.

### **Leases**

Lease payments under operating leases are recognised in the income statement on a straight-line basis over the lease term. The remaining liability is stated under contingent liabilities.

## Accounting policies

### Foreign currency translation

Foreign currency transactions are translated at the exchange rates ruling at the transaction dates. Gains and losses arising from movements between the exchange rates at the date of the individual transaction and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, accounts payable and other monetary items denominated in a foreign currency, but not settled at the reporting date, are translated at the exchange rates ruling at the reporting date. Exchange rate differences between the exchange rates at the reporting date and the date of the individual transaction are recognised in the income statement as financial income or financial expenses.

### Income information

#### Gross profit

Gross profit is a combination of the items of 'Revenue', 'Change in inventories of finished goods, work in progress and goods for resale', 'Other operating income', 'Cost of raw materials and consumables' and 'Other external costs'.

#### Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end. Revenue is recognised exclusive of VAT and net of sales discounts.

#### Change in inventories of finished goods and work in progress

The change in inventories of finished goods and work in progress is changes in inventories.

#### Other operating income

Other operating income includes items relating to activities secondary to the main activity of the enterprise.

#### Cost of raw materials and consumables

Cost of raw materials and consumables includes the cost of goods purchased less discounts and changes in inventories for the year.

#### Other external expenses

Other external expenses include costs for sales, advertising, administration, premises, bad debts, rental expenses under operating leases, etc.

#### Staff costs

Staff costs include wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement from the Government.

#### Other operating expenses

Other operating expenses include items relating to activities secondary to the main activity of the enterprise.

## Accounting policies

### Financial income and expenses

Financial income and expenses are recognised in the income statement based on the amounts which relate to the financial year. Financial income and expenses include interest revenue and expenses, finance charges in respect of finance leases, realised and unrealised capital gains and losses on securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme. Dividends from other equity investments are recognised as income in the financial year in which the dividends are declared.

### Tax on net profit for the year

Tax for the year comprises current tax and changes in deferred tax. The share attributable to the profit or loss for the year is recognised in the income statement, and the share attributable directly to equity is recognised directly in equity.

Any change in deferred tax as a result of changes in the tax rate, the share attributable to the profit is recognised in the income statement, and the share attributable directly to equity is recognised directly in equity.

### Balance sheet

#### Intangible assets

##### Patents and licences

Patents and licences are measured at cost on initial recognition and subsequently at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the contract period, but not more than 7 years.

Gains or losses arising from the sale of patents and licences are determined as the difference between the selling prices less selling costs and the carrying amounts at the time of sale. Gains or losses are recognised in the income statement as other operating income or other operating expense.

#### Property, plant and equipment

Property, plant and equipment is measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the date of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued. Land is not depreciated.

## Accounting policies

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of a composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual components differ.

Depreciation is calculated using the straight-line method over the following estimated useful lives of the individual assets and their residual values:

	<u>User time</u>	<u>Residual value</u>
Plant and machinery	8 år	0 %
Tools and equipment	8 år	0 %
Leasehold improvements	10-20 år	0 %

Gains or losses arising from the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amounts at the time of sale. Gains or losses are recognised in the income statement as other operating income or other operating expense.

### **Impairment losses relating to non-current assets**

The carrying amounts of intangible assets and property plant and equipment are tested annually to determine whether there is any indication of impairment other than what is expressed by amortisation and depreciation. If so, the assets are tested for impairment to determine whether the recoverable amounts are lower than the carrying amounts and the relevant assets are written down to such lower recoverable amounts. An impairment test is carried out annually of ongoing development projects, whether or not there is any indication of impairment.

The recoverable amount of an asset is determined as the higher of the net sales price and the value in use. Where the recoverable amount of the individual assets cannot be determined, the assets are grouped together into the smallest group of assets that can be estimated to determine an aggregate reliable recoverable amount for those units.

### **Inventories**

Inventories are measured at cost according to the FIFO method. Where the net realisable value is lower than cost, the inventories are written down to this lower value.

The cost of finished goods produced is the cost of raw materials, consumables, direct payroll costs, and direct and indirect production costs.

## Accounting policies

The net realisable value of inventories is calculated as the selling price less costs of completion and costs incurred to perform sales. The value is determined taking into consideration marketability, obsolescence and development in expected selling price.

### Receivables

Receivables are measured at amortised cost, which normally corresponds to the nominal value. The value is reduced by an allowance for expected impairment losses.

Impairment of accounts receivable past due is established on individual assessment of receivables.

### Prepayments

Prepayments recognised under assets include costs already defrayed but relating to the subsequent financial year.

### Cash and cash equivalents

Cash and cash equivalents include deposits in banks with bank accounts as well as cash and cash equivalents.

### Equity

#### Dividends

#### Corporate income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the balance sheet as calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured using the balance-sheet liability method on temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases. In cases where the tax base can be determined under alternative taxation rules, such as in relation to shares, deferred tax is measured on the basis of the intended use of the asset or settlement of the liability.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are measured at their anticipated net realisable value, either by elimination in tax on future earnings or by offsetting against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at their net realisable values.

### Payables

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between proceeds and nominal value is recognised in the income statement over the life of the financial instrument(s).

## **Accounting policies**

Other payables, comprising trade payables and amounts owed to Group enterprises and associates and other accounts payable, are measured at amortised cost, which normally corresponds to the nominal value.

### **Deferred income**

Where income that relates to subsequent years is received, the income is treated as deferred income.

## Income Statement 1 October - 30 September

	2021/22	2020/21
<b>Gross Profit</b>	<b>5.221.442</b>	<b>5.994.509</b>
Staff costs	2 -4.434.569	-5.106.411
Amortisation, depreciation and impairment losses - intangible assets and property, plant and equipment	-1.048.153	-296.911
Other operating costs	0	-49.097
<b>Operation profit/loss - EBIT</b>	<b>-261.280</b>	<b>542.090</b>
Other financial income	5.225	0
Other financial income from affiliated companies	11.357	0
Financial expenses arising from Group enterprises	-714	-12.417
Other financial expenses	-21.951	-34.279
<b>Profit/loss before tax</b>	<b>-267.363</b>	<b>495.394</b>
Tax on net profit for the year	22.260	-114.645
<b>Profit/loss for the year</b>	<b>-245.103</b>	<b>380.749</b>
<b>Proposed distribution of profit</b>		
Retained earnings	-245.103	380.749
	<b>-245.103</b>	<b>380.749</b>



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**Balance 30 September**

	<b>2022</b>	<b>2021</b>
Concessions, patents, etc.	0	0
<b>Intangible assets</b>	<b>0</b>	<b>0</b>
Plant and machinery	0	325.418
Other plant, fixtures and operating equipment	36.515	166.847
Leasehold improvements	150.510	742.913
<b>Property, plant and equipment</b>	<b>187.025</b>	<b>1.235.178</b>
<b>FIXED ASSETS</b>	<b>187.025</b>	<b>1.235.178</b>
Raw materials and consumables	731.471	978.831
<b>Inventories</b>	<b>731.471</b>	<b>978.831</b>
Trade receivables	157.849	135.837
Receivables from group enterprises	915.296	46.971
Other receivables	119.058	278.119
Deferred tax asset	0	0
Accruals	18.457	17.565
<b>Receivables</b>	<b>1.210.660</b>	<b>478.492</b>
<b>Cash</b>	<b>1.263.877</b>	<b>1.368.458</b>
<b>CURRENT ASSETS</b>	<b>3.206.008</b>	<b>2.825.781</b>
<b>ASSETS</b>	<b>3.393.033</b>	<b>4.060.959</b>

### Balance 30 September

		2022	2021
Contributed capital		500.000	500.000
Retained earnings		1.526.230	1.771.332
<b>EQUITY</b>		<b>2.026.230</b>	<b>2.271.332</b>
Provision for deferred tax		0	118.246
<b>PROVISIONS</b>		<b>0</b>	<b>118.246</b>
Corporate income tax		98.466	104.994
<b>Long-term payables</b>	3	<b>98.466</b>	<b>104.994</b>
Trade creditors		230.773	402.726
Amounts owed to group enterprises		574.176	495.383
Corporate income tax		0	48.554
Other accounts payable		451.541	608.340
Payables to owners and management		11.847	11.384
<b>Short-term payables</b>		<b>1.268.337</b>	<b>1.566.387</b>
<b>PAYABLES</b>		<b>1.366.803</b>	<b>1.671.381</b>
<b>EQUITY AND LIABILITIES</b>		<b>3.393.033</b>	<b>4.060.959</b>
Contingent items, etc.	4		
Pledging and collateral	5		
Related parties	6		

## Noter

### 1 Special posts

The company's management has decided to liquidate production in the coming financial year. As a consequence, a number of depreciations have been made on property, plant and equipment as well as recognition of severance costs associated with terminated employees. The accounting impact at accounting item level for the financial year 2021/22 can be specified as below:

Staff costs have increased by DKK 126.000 as a result of severance pay.

Amortisation, and depreciation of intangible assets and property, plant and equipment have increased by DKK 776.986, as a result of depreciation of tangible fixed assets.

	2021/22	2020/21
<b>2 Staff costs</b>		
Number of people employed	9	10
Wages and salaries	3.956.551	4.311.292
Pensions	379.857	677.600
Other social security costs	98.161	117.519
<b>Staff costs</b>	<b><u>4.434.569</u></b>	<b><u>5.106.411</u></b>

	Total debt opening	Total debt ending	Outstanding debt after 5 years
<b>3 Long-term payables</b>			
Corporate income tax	104.994	98.466	0
	<b><u>104.994</u></b>	<b><u>98.466</u></b>	<b><u>0</u></b>

### 4 Contingent items, etc.

#### Liabilities

#### Rents and leasing contracts

The company has following rental agreements:

The company has leasing and rental agreements with a payment of 26 T.DKK, with remaining period up to 10 months. The total payment in the remaining period amount a total of 105 T.DKK.

## **Noter**

### **5 Pledging and collateral**

None.

### **6 Related parties**

#### **Parent company**

The parent company Ball Horticultural Company, headquartered in West Chicago, Illinois, USA, prepares consolidated financial statements in which the company is included as a subsidiary. Consolidated financial statements can be obtained from Ball Horticultural Company, 622 Town Road West Chicago, Illinois, 60185-2698, USA.