
Turf Tank ApS

Lansen 15, DK-9230 Svenstrup J

Annual Report for 2023

CVR No. 36 72 24 36

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 28/6 2024

Henrik Kluug Sørensen
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company information	5
Group Chart	6
Financial Highlights	7
Management's Review	8
Financial Statements	
Income Statement 1 January - 31 December	10
Balance sheet 31 December	11
Statement of changes in equity	14
Cash Flow Statement 1 January - 31 December	15
Notes to the Financial Statements	16

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Turf Tank ApS for the financial year 1 January - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Svenstrup, 20 June 2024

Executive Board

Mikkel Klitgaard Jacobsen
CEO

Board of Directors

Johnny Laursen
Chairman

Mikkel Klitgaard Jacobsen

Independent Auditor's report

To the shareholder of Turf Tank ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Turf Tank ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for Opinion

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 Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines 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, Management is responsible for assessing the Group's and the Parent 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 in preparing the Financial Statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

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 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 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 conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism 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 Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company'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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Aalborg, 20 June 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Mads Meldgaard

State Authorised Public Accountant

mne24826

Torben Toft Kristensen

State Authorised Public Accountant

mne27727

Company information

The Company	Turf Tank ApS Lansen 15 9230 Svenstrup J CVR No: 36 72 24 36 Financial period: 1 January - 31 December Municipality of reg. office: Aalborg
Board of Directors	Johnny Laursen, chairman Mikkel Klitgaard Jacobsen
Executive Board	Mikkel Klitgaard Jacobsen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Skelagervej 1A DK-9000 Aalborg

Group Chart

<u>Company</u>	<u>Residence</u>	<u>Ownership</u>
Turf Tank ApS	Lansen 15, 9230 Svenstrup J, Denmark	
Turf Tank USA ApS	Lansen 15, 9230 Svenstrup J, Denmark	100%
Turf Tank Inc.	3330 COBB PARKWAY NW, SUITE 324380, Acworth 30101 GA, United States	100%

Financial Highlights

Seen over a 2-year period, the development of the Group is described by the following financial highlights:

	Group	
	2023	2022
	TDKK	TDKK
Key figures		
Profit/loss		
Gross profit	82,386	28,410
EBITDA	1,995	-37,647
Profit/loss of primary operations	-19,747	-47,907
Profit/loss of financial income and expenses	-41,106	-11,995
Net profit/loss for the year	-49,701	-43,540
Balance sheet		
Balance sheet total	398,024	260,080
Investment in property, plant and equipment	83,658	64,822
Equity	-76,597	-26,880
Cash flows		
Cash flows from:		
- operating activities	-33,961	-32,901
- investing activities	-119,429	-148,719
- financing activities	165,868	184,462
Change in cash and cash equivalents for the year	12,478	2,842
Number of employees	144	111

Management's review

Key activities

The Groups's activity consists of the production, development and sale of autonomous line marking robots for sports fields. Turf Tank is the company behind the world's first, and current most well-known, and market leading, autonomous line marking robot.

Development in the year

The income statement of the Group for 2023 shows a loss of DKK 49,701,185, and at 31 December 2023 the balance sheet of the Group shows a negative equity of DKK 76,596,654.

In the past year, the Group has experienced growth in both revenue and market share. This growth has been achieved through a combination of new product launches, improved sales channels, and strengthened customer relations. Our market share has also increased, confirming our competitiveness and ability to meet customer needs and expectations.

The annual result is at an expected level and aligns with the Group's strategy. This is primarily due to the leasing model applied to the product range.

We expect the positive development to continue in the coming year, with a particular focus on optimizing our processes to enhance efficiency and profitability.

Capital resources

There remains sufficient access to credit facilities to support the Groups's daily operations and also support investments derived from Turf Tank's strategic objectives.

Targets and expectations for the year ahead

We foresee a continued rise in demand for our core products, contributing to stable growth, with this year's EBITDA expected to be 30-40 million DKK and the year's result for 2024 projected to be between -35 million DKK and -25 million DKK, aligning with our long-term strategy.

Research and development

Innovation is at the core of our business strategy, and we invest significantly in research and development to maintain our competitive advantage. Our R&D department works across multiple disciplines to develop new products and improve existing solutions.

External environment

Turf Tank provides a product that positively contributes to reducing the carbon footprint of our customers. This positive effect stems from a potential shift away from fossil fuels, lower paint consumption, and a circular business model focused on maximizing utilization and extending the lifespan of our robots. We are aware of our environmental responsibility and are working to optimize our processes to reduce our carbon footprint.

Intellectual capital resources

Employees are Turf Tank's most significant asset. We have a strong focus on attracting and retaining talent by offering attractive career opportunities and an inspiring work environment. Additionally, we actively work to promote a culture where knowledge sharing and innovation are central.

Branches abroad

Our international presence is a vital part of our growth strategy. We have established companies/branches in several key markets. This presence plays a role in serving local customers and tailoring our products and services to regional needs. They have also contributed to our overall revenue and strengthened our position as an international player.

Management's review

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2023	2022	2023	2022
		DKK	DKK	DKK	DKK
Gross profit		82,386,123	28,410,291	37,118,313	-12,273,614
Staff expenses	1	-80,391,943	-66,057,473	-41,830,296	-26,589,813
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	2	-21,741,559	-10,260,178	-22,550,516	-11,354,899
Other operating expenses		0	0	0	-3,406,012
Profit/loss before financial income and expenses		-19,747,379	-47,907,360	-27,262,499	-53,624,338
Financial income	3	446,597	0	8,446,263	7,655,736
Financial expenses	4	-41,552,744	-11,995,459	-40,915,964	-13,138,317
Profit/loss before tax		-60,853,526	-59,902,819	-59,732,200	-59,106,919
Tax on profit/loss for the year	5	11,152,341	16,362,896	10,597,069	15,408,478
Net profit/loss for the year	6	-49,701,185	-43,539,923	-49,135,131	-43,698,441

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2023	2022	2023	2022
		DKK	DKK	DKK	DKK
Completed development projects		48,178,776	27,649,282	48,178,776	27,649,282
Acquired patents		947,093	978,853	947,093	978,853
Development projects in progress		2,477,551	7,106,166	2,477,551	7,106,166
Intangible assets	7	51,603,420	35,734,301	51,603,420	35,734,301
Other fixtures and fittings, tools and equipment		152,250,726	87,230,171	150,872,217	87,568,785
Leasehold improvements		2,446,838	2,651,357	2,446,838	2,651,357
Property, plant and equipment in progress		432,000	300,000	432,000	300,000
Property, plant and equipment	8	155,129,564	90,181,528	153,751,055	90,520,142
Investments in subsidiaries	9	0	0	1,381,157	1,381,157
Receivables from group enterprises	10	0	0	45,300,691	50,632,334
Deposits	10	1,715,659	1,157,018	405,000	389,450
Other receivables	10	27,389,839	11,386,441	2,099,144	361,584
Fixed asset investments		29,105,498	12,543,459	49,185,992	52,764,525
Fixed assets		235,838,482	138,459,288	254,540,467	179,018,968
Inventories	11	67,176,144	52,230,610	51,611,954	48,607,013
Trade receivables		22,856,129	17,967,246	6,154,729	3,067,963
Receivables from group enterprises		0	0	12,100	0
Other receivables		11,030,533	4,369,029	5,714,980	4,514,029
Deferred tax asset	12	32,670,670	27,287,586	21,474,516	13,937,048
Corporation tax		2,587,547	3,990,069	2,710,544	4,364,832
Prepayments	13	6,579,552	8,969,852	843,751	510,091
Receivables		75,724,431	62,583,782	36,910,620	26,393,963

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2023	2022	2023	2022
		DKK	DKK	DKK	DKK
Cash at bank and in hand		19,284,910	6,806,543	13,391,788	2,744,147
Current assets		162,185,485	121,620,935	101,914,362	77,745,123
Assets		398,023,967	260,080,223	356,454,829	256,764,091

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2023	2022	2023	2022
		DKK	DKK	DKK	DKK
Share capital		2,124,518	2,124,518	2,124,518	2,124,518
Reserve for development costs		39,511,935	27,109,249	39,511,935	27,109,249
Retained earnings		-118,233,107	-56,113,525	-90,465,472	-28,927,655
Equity		-76,596,654	-26,879,758	-48,829,019	306,112
Subordinate loan capital		45,922,051	35,647,500	36,716,926	35,647,500
Mortgage loans		0	17,317,204	0	17,317,204
Credit institutions		316,113,564	88,461,619	316,113,564	88,461,619
Other payables		16,349,103	482,865	16,349,103	482,865
Deferred income		522,023	696,031	522,023	696,031
Long-term debt	14	378,906,741	142,605,219	369,701,616	142,605,219
Mortgage loans	14	0	11,574,008	0	11,574,008
Credit institutions	14	1,994,396	61,894,876	1,994,396	61,771,250
Trade payables		14,958,170	12,521,062	15,209,635	11,670,734
Payables to group enterprises		0	0	0	400
Corporation tax		0	0	0	374,763
Other payables	14	24,619,013	31,056,537	12,001,440	24,470,229
Deferred income	14, 15	54,142,301	27,308,279	6,376,761	3,991,376
Short-term debt		95,713,880	144,354,762	35,582,232	113,852,760
Debt		474,620,621	286,959,981	405,283,848	256,457,979
Liabilities and equity		398,023,967	260,080,223	356,454,829	256,764,091
Contingent assets, liabilities and other financial obligations	18				
Related parties	19				
Subsequent events	20				
Accounting Policies	21				

Statement of changes in equity

Group

	Share capital	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	2,124,518	27,109,249	-56,113,525	-26,879,758
Exchange adjustments	0	0	-15,711	-15,711
Development costs for the year	0	12,402,686	-12,402,686	0
Net profit/loss for the year	0	0	-49,701,185	-49,701,185
Equity at 31 December	2,124,518	39,511,935	-118,233,107	-76,596,654

Parent company

	Share capital	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	2,124,518	27,109,249	-28,927,655	306,112
Development costs for the year	0	12,402,686	-12,402,686	0
Net profit/loss for the year	0	0	-49,135,131	-49,135,131
Equity at 31 December	2,124,518	39,511,935	-90,465,472	-48,829,019

Cash flow statement 1 January - 31 December

	Note	Group	
		2023	2022
		DKK	DKK
Result of the year		-49,701,185	-43,539,923
Adjustments	16	51,679,654	5,808,920
Change in working capital	17	-1,446,023	31,739,787
Cash flow from operations before financial items		532,446	-5,991,216
Financial income		446,597	0
Financial expenses		-41,552,744	-11,995,459
Cash flows from ordinary activities		-40,573,701	-17,986,675
Corporation tax paid		6,613,077	-14,914,759
Cash flows from operating activities		-33,960,624	-32,901,434
Purchase of intangible assets		-20,441,013	-38,564,898
Purchase of property, plant and equipment		-82,425,566	-97,611,109
Fixed asset investments made etc		-16,562,039	-12,543,459
Cash flows from investing activities		-119,428,618	-148,719,466
Repayment of mortgage loans		-28,891,212	28,891,212
Repayment of loans from credit institutions		-59,572,532	8,294,441
Repayment of other long-term debt		-19,352,451	-10,899,596
Raising of loans from credit institutions		273,683,804	110,275,459
Raising of other long-term debt		0	47,900,000
Cash flows from financing activities		165,867,609	184,461,516
Change in cash and cash equivalents		12,478,367	2,840,616
Cash and cash equivalents at 1 January		6,806,543	3,965,927
Cash and cash equivalents at 31 December		19,284,910	6,806,543
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		19,284,910	6,806,543
Cash and cash equivalents at 31 December		19,284,910	6,806,543

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
1. Staff Expenses				
Wages and salaries	75,601,023	62,902,339	37,215,955	23,592,384
Pensions	3,848,343	2,478,414	3,711,364	2,496,731
Other social security expenses	942,577	676,720	902,977	500,698
	80,391,943	66,057,473	41,830,296	26,589,813

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Average number of employees	144	111	69	41
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	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
2. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment				
Amortisation of intangible assets	4,228,786	2,830,597	4,571,897	3,004,605
Depreciation of property, plant and equipment	17,512,773	7,429,581	17,978,619	8,350,294
	21,741,559	10,260,178	22,550,516	11,354,899

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
3. Financial income				
Interest received from group enterprises	0	0	7,992,757	3,797,318
Other financial income	446,597	0	453,506	6,959
Exchange adjustments	0	0	0	3,851,459
	446,597	0	8,446,263	7,655,736

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
4. Financial expenses				
Other financial expenses	41,471,617	11,995,459	39,207,043	10,402,418
Exchange adjustments, expenses	81,127	0	1,708,921	2,735,899
	41,552,744	11,995,459	40,915,964	13,138,317

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
5. Income tax expense				
Current tax for the year	-5,769,257	-4,006,491	-3,059,568	-3,978,298
Deferred tax for the year	-5,383,084	-12,356,405	-7,537,501	-11,430,180
	-11,152,341	-16,362,896	-10,597,069	-15,408,478

	Parent company	
	2023	2022
	DKK	DKK
6. Profit allocation		
Retained earnings	-49,135,131	-43,698,441
	-49,135,131	-43,698,441

Notes to the Financial Statements

7. Intangible fixed assets

	Group			Parent company		
	Completed development projects	Acquired patents	Development projects in progress	Completed development projects	Acquired patents	Development projects in progress
	DKK	DKK	DKK	DKK	DKK	DKK
Cost at 1 January	35,232,270	1,627,125	7,106,162	35,232,270	1,627,125	7,106,162
Additions for the year	0	137,343	20,303,670	0	137,343	20,303,670
Transfers for the year	24,932,281	0	-24,932,281	24,932,281	0	-24,932,281
Cost at 31 December	60,164,551	1,764,468	2,477,551	60,164,551	1,764,468	2,477,551
Impairment losses and amortisation at 1 January	7,582,981	648,272	0	7,582,981	648,272	0
Amortisation for the year	4,402,794	169,103	0	4,402,794	169,103	0
Impairment losses and amortisation at 31 December	11,985,775	817,375	0	11,985,775	817,375	0
Carrying amount at 31 December	48,178,776	947,093	2,477,551	48,178,776	947,093	2,477,551

The development projects comprise the development of autonomous line marking robots for sports fields. The development projects in progress proceed as planned and are expected to be completed within 1-3 years.

The development projects includes development of robotic line makers. The product developments are used by the Company to sell robotic line makers to customers. The development projects are continuously developed by the Company. The management is of the opinion that it is technically possible to complete the development projects and intends to do so.

Management has not identified indication of impairment of the recognised projects.

With reference to section 83(2) of the Danish Financial Statement Act, deferred tax is set off against the capitalized costs for development projects in the reserve for development costs under equity.

The value of the recognized development projects depends on the Company's ability to continue developing its autonomous line robots, as well as attracting enough customers to generate positive earnings that could yield the total investment. The management believes that the company will succeed in doing so in the coming years.

Notes to the Financial Statements

8. Property, plant and equipment

	Group			Parent company		
	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
	DKK	DKK	DKK	DKK	DKK	DKK
Cost at 1 January	101,410,178	3,283,171	300,000	100,539,054	3,283,171	300,000
Additions for the year	83,026,165	499,978	132,000	81,796,614	499,978	132,000
Disposals for the year	-6,791,878	0	0	-6,779,212	0	0
Cost at 31 December	177,644,465	3,783,149	432,000	175,556,456	3,783,149	432,000
Impairment losses and depreciation at 1 January	13,161,367	631,814	0	12,970,271	631,814	0
Depreciation for the year	12,519,218	704,497	0	11,994,492	704,497	0
Impairment and depreciation of sold assets for the year	-286,846	0	0	-280,524	0	0
Impairment losses and depreciation at 31 December	25,393,739	1,336,311	0	24,684,239	1,336,311	0
Carrying amount at 31 December	152,250,726	2,446,838	432,000	150,872,217	2,446,838	432,000

Parent company

	2023	2022
	DKK	DKK

9. Investments in subsidiaries

Cost at 1 January	1,381,157	1,381,157
Cost at 31 December	1,381,157	1,381,157
Carrying amount at 31 December	1,381,157	1,381,157

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership	Equity	Net profit/loss for the year
Turf Tank USA ApS	Denmark	100%	-22,594	-12,500
Turf Tank Inc	United States	100%	-29,325,395	-2,034,470

Notes to the Financial Statements

10. Other fixed asset investments

	Group		Parent company		
	Deposits	Other receivables	Receivables from group enterprises	Deposits	Other receivables
	DKK	DKK	DKK	DKK	DKK
Cost at 1 January	1,546,468	11,386,441	50,632,334	389,450	361,584
Additions for the year	169,191	16,003,398	0	15,550	1,737,560
Disposals for the year	0	0	-5,331,643	0	0
Cost at 31 December	1,715,659	27,389,839	45,300,691	405,000	2,099,144
Carrying amount at 31 December	1,715,659	27,389,839	45,300,691	405,000	2,099,144

Management has prepared a cash flow estimate for the recognized receivables from group enterprises and investment in group enterprises based on a 5 year forecast horizon. The recorded receivables and investments are sensitive to changes in the assumptions applied including forecast and budgets applied.

11. Inventories

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
Raw materials and consumables	14,693,474	17,593,604	14,693,474	17,593,604
Work in progress	0	22,744,907	0	22,744,907
Finished goods and goods for resale	46,164,806	9,142,984	30,600,616	5,519,387
Prepayments for goods	6,317,864	2,749,115	6,317,864	2,749,115
	67,176,144	52,230,610	51,611,954	48,607,013

12. Deferred tax asset

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
Deferred tax asset at 1 January	27,287,586	2,506,868	13,937,048	2,506,868
Amounts recognised in the income statement for the year	5,383,084	24,780,718	7,537,468	11,430,180
Deferred tax asset at 31 December	32,670,670	27,287,586	21,474,516	13,937,048

Notes to the Financial Statements

13. Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Group		Parent company	
2023	2022	2023	2022
DKK	DKK	DKK	DKK

14. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Subordinate loan capital

After 5 years	0	35,647,500	0	35,647,500
Between 1 and 5 years	45,922,051	0	36,716,926	0
Long-term part	45,922,051	35,647,500	36,716,926	35,647,500
Within 1 year	0	0	0	0
	45,922,051	35,647,500	36,716,926	35,647,500

Mortgage loans

After 5 years	0	0	0	0
Between 1 and 5 years	0	17,317,204	0	17,317,204
Long-term part	0	17,317,204	0	17,317,204
Within 1 year	0	11,574,008	0	11,574,008
	0	28,891,212	0	28,891,212

Credit institutions

After 5 years	0	19,443,267	0	19,443,267
Between 1 and 5 years	316,113,564	69,018,352	316,113,564	69,018,352
Long-term part	316,113,564	88,461,619	316,113,564	88,461,619
Other short-term debt to credit institutions	1,994,396	61,894,876	1,994,396	61,771,250
	318,107,960	150,356,495	318,107,960	150,232,869

Other payables

After 5 years	0	482,865	0	482,865
Between 1 and 5 years	16,349,103	0	16,349,103	0
Long-term part	16,349,103	482,865	16,349,103	482,865
Other short-term payables	24,619,013	31,056,537	12,001,440	24,470,229
	40,968,116	31,539,402	28,350,543	24,953,094

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
14. Long-term debt				
Deferred income				
After 5 years	0	0	0	0
Between 1 and 5 years	522,023	696,031	522,023	696,031
Long-term part	522,023	696,031	522,023	696,031
Within 1 year	348,016	174,008	174,008	174,008
Other deferred income	53,794,285	27,134,271	6,202,753	3,817,368
	54,664,324	28,004,310	6,898,784	4,687,407

15. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

	Group	
	2023	2022
	DKK	DKK
16. Cash flow statement - Adjustments		
Financial income	-446,597	0
Financial expenses	41,552,744	11,995,459
Depreciation, amortisation and impairment losses, including losses and gains on sales	21,741,559	10,260,178
Tax on profit/loss for the year	-11,152,341	-16,362,896
Exchange adjustments	-15,711	-83,821
	51,679,654	5,808,920

	Group	
	2023	2022
	DKK	DKK
17. Cash flow statement - Change in working capital		
Change in inventories	-14,945,534	-20,597,206
Change in receivables	-9,160,087	-7,559,412
Change in trade payables, etc	22,659,598	59,896,405
	-1,446,023	31,739,787

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
18. Contingent assets, liabilities and other financial obligations				
Contingent assets				
Rental and lease obligations				
Liabilities under rental or lease agreements until maturity in total	50,287,040	23,139,154	4,611,583	5,004,501
Lease obligations, period of non-terminability 12 months	12,203,127	5,178,508	1,281,082	0

Guarantee obligations

A business pledge of a nominal amount of TDKK 330.986 has been provided as security for bank loans, loan from Artha Turf P/S and Vaekstfonden covering the Company's goodwill, domain names and rights protected by the Danish Consolidate Patents Act, the Danish Consolidate Trademark Act, the Danish Consolidate Designs Act, the Danish Utility Models Act, the Danish Patterns Act, the Danish Copyright Act and the Danish Act on Protection of the Design of Semiconductor Products (topography), operating equipment and unsecured claims relating to the sale of goods and services, also including inventories of raw materials, semi-manufactures and finished goods as well as vehicles that are not or have not previously been registered.

The carrying amount of property, plant and equipment in progress amounts to TDKK 432

The carrying amount of other fixtures and fittings amounts to TDKK 150.872

The carrying amount of decoration of rented premises amounts to TDKK 2.447

The carrying amount of inventories of rented premises amounts to TDKK 45.294

The carrying amount of receivables from sales and services to TDKK 6.154

The carrying amount of charged assets amounts to TDKK 205.199.

Other contingent liabilities

In connection with the sales of autonomus line marking robots the Company has provided normal warranty and repair obligations.

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the jointtaxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

The company has submitted a declaration of support to the subsidiary Turf Tank USA ApS, that is valid until 21 May 2025.

Notes to the Financial Statements

19. Related parties

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

There have been none of these transactions in the financial year.

20. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

21. Accounting policies

The Annual Report of Turf Tank ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2023 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Turf Tank ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Notes to the Financial Statements

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies. If currency positions are considered to hedge future cash flows, value adjustments are recognized directly in equity.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve the consolidated revenue for the year.

Other external expenses

Other external expenses comprise costs regarding sales as well as office expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, work on own account recognised in assets, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Notes to the Financial Statements

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance sheet

Intangible fixed assets

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 10 year.

Other intangible fixed assets

Patents are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Patents are amortised over the remaining patent period or a shorter useful life. The amortisation period is 10 years.

Notes to the Financial Statements

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-6 years
Leasehold improvements	5 years

The residual values are estimated at the following percentage of the cost:

Other fixtures and fittings, tools and equipment	0-80 %
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The residual value of other fixed assets is determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Other fixed asset investments

Other fixed asset investments consist of deposits and other receivables.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Notes to the Financial Statements

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Notes to the Financial Statements

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.