

Citylawn A/S

Bildsøvej 106, Kelstrup
4200 Slagelse

CVR No. 42062561

Annual Report 2023

3. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 6 May 2024

Theis Wiben Elkjær
Chairman

Citylawn A/S

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Management's Statement

Today, Management has considered and adopted the Annual Report of Citylawn A/S for the financial year 1 January 2023 - 31 December 2023.

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

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January 2023 - 31 December 2023.

In our opinion, the 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.

Stillinge, 25 April 2024

Executive Board

Theis Wiben Elkjær
Manager

Supervisory Board

John Penninck
Vice Chairman

Armano Brembilla
Member

John Møller Jensen
Member

Jo Nijsten
Member

Theis Wiben Elkjær
Member

Independent Auditors' Report

To the shareholders of Citylawn A/S

Opinion

We have audited the financial statements of Citylawn A/S for the financial year 1 January 2023 - 31 December 2023, which comprise an income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in the "Auditors' responsibility for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statement 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.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management considers 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 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

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

- * Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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

Independent Auditors' Report

Company's internal control.

- * Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- * Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could cast significant doubt on the 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect the underlying transactions and events in a manner that gives a true and fair view.

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 which we identify during our audit.

Statement on Management's Review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of opinion providing assurance regarding the Management's review.

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

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Holbæk, 25 April 2024

RevisorGården

Godkendte Revisorer A/S

CVR-no. 19720705

Martin Skovholm
Approved auditor
mne15937

Citylawn A/S

Company details

Company	Citylawn A/S Biltsøvej 106, Kelstrup 4200 Slagelse
Telephone	70 89 00 80
E-mail	te@citylawn.dk
CVR No.	42062561
Date of formation	1 February 2021
Registered office	Slagelse
Financial year	1 January 2023 - 31 December 2023
Supervisory Board	John Penninck Armanno Brembilla John Møller Jensen Jo Nijsten Theis Wiben Elkjær, Manager
Executive Board	Theis Wiben Elkjær
Auditors	RevisorGården Godkendte Revisorer A/S Kalundborgvej 60 4300 Holbæk CVR-no.: 19720705
Bank	Møns Bank A/S Storegade 29 4780 Stege

Management's Review

The Company's principal activities

The Company's principal activities consist in sale and installation of artificial grass.

Development in the activities and the financial situation of the Company

The Company's Income Statement of the financial year 1 January 2023 - 31 December 2023 shows a result of DKK 1.017.321 and the Balance Sheet at 31 December 2023 a balance sheet total of DKK 9.536.374 and an equity of DKK 5.153.575.

Expectations for the future

The Company expects its operations to develop positively next year.

Accounting Policies

Reporting Class

The annual report of Citylawn A/S for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Company has changed the financial year last year from 30-06 to 31-12. The reorientation of the financial year is due to adjustment to the Group's financial year.

The comparison figure therefore only includes 6 months.

Reporting currency

The annual report is presented in Danish kroner.

General information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost principle.

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, 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 accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

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

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies

Income statement

Gross profit/loss

The Company has decided to aggregate certain items of the income statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

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, costs for raw materials and consumables and other external expenses.

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised excluding VAT and all discounts granted are recognised in revenue.

Other operating income

Other operating income comprises items of a secondary nature to the activities of the enterprises, including profits on sale of intangible and tangible assets and refunds from public authorities.

Raw materials and consumables used

Costs for raw materials and consumables comprise the cost of goods purchased less discounts, costs subcontractors and change in inventories for the year.

Other external expenses

Other external expenses include expenses for distribution, sales, advertising, administration, premises, bad debts, operating leasing expenses etc.

Staff costs

Staff costs include wages and salaries including compensated absence and pension to the Companies employees, as well as other social security contributions etc.

Other staff expenses are recognised in other external expenses.

Amortisation and impairment of tangible and intangible assets

Amortization and impairment of intangible assets, property, plant and equipment has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortized on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-10 years	0%

Profit or loss resulting from the sale of intangible assets or property, plant and equipment is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the income statement under other operating income or expenses.

Financial income and expenses

Financial income and expenses are recognised in the income statement based at the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, financial expenses of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the advance-payment of tax scheme.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's

Accounting Policies

adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance sheet

Property, plant and equipment

Property, plant and equipment are 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 data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

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

Impairment of fixed assets The accounting value of intangible and tangible fixed assets is assessed annually for indications of impairment, in addition to what is expressed by depreciation. If there are indications of impairment, an impairment test is carried out on each individual asset respectively group of assets. A write-down is made to the recoverable amount if this is lower than that accounting value. The highest value of net selling price and capital value is used as recovery value. The capital value is calculated as the present value of the expected net cash flows from the use of the asset or asset group.

Inventories

The cost of goods for resale, raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Receivables

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

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

Supply of services in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the reporting date and total expected income from the work in progress.

Where it is difficult to determine a reliable selling price, the selling price is measured at the lower of costs incurred and the net realizable value.

Work in progress is recognised in the balance sheet under receivables or payables depending on the net value of the selling price less invoicing on account.

Prepayments from customers are recognised under liabilities.

Advertising from promotional costs and costs of negotiating contracts are expensed incurred.

Accounting Policies

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Provisions

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the balance sheet as estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Other payables

Other payables are measured at amortized cost, which usually corresponds to the nominal value.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2023 kr.	2022 kr.
Gross profit		4.674.496	2.489.119
Employee benefits expense	1	-3.199.994	-912.312
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-208.456	-20.066
Profit from ordinary operating activities		1.266.046	1.556.741
Other finance income		80.808	0
Finance expenses		-40.983	-16.050
Profit from ordinary activities before tax		1.305.871	1.540.691
Tax expense on ordinary activities		-288.550	-347.552
Profit		1.017.321	1.193.139
Proposed distribution of results			
Retained earnings		1.017.321	1.193.139
Distribution of profit		1.017.321	1.193.139

Citylawn A/S

Balance Sheet as of 31 December

	Note	2023 kr.	2022 kr.
Assets			
Fixtures, fittings, tools and equipment		1.091.586	167.197
Property, plant and equipment		1.091.586	167.197
Fixed assets			
Manufactured goods and goods for resale		1.118.054	785.995
Inventories		1.118.054	785.995
Short-term trade receivables		1.794.005	450.781
Contract work in progress		214.157	335.005
Other short-term receivables		7.666	3.471
Deferred income		81.337	63.359
Receivables		2.097.165	852.616
Cash and cash equivalents		5.229.569	5.586.742
Current assets		8.444.788	7.225.353
Assets		9.536.374	7.392.550

Balance Sheet as of 31 December

	Note	2023 kr.	2022 kr.
Liabilities and equity			
Contributed capital		500.000	500.000
Retained earnings		4.653.575	3.636.254
Equity		5.153.575	4.136.254
Provisions for deferred tax		33.000	9.000
Provisions		33.000	9.000
Tax payables		152.550	343.552
Long-term liabilities other than provisions	2	152.550	343.552
Prepayments received from customers		9.825	0
Prepayments received for work in progress		130.844	83.576
Trade payables		1.167.022	974.424
Payables to group enterprises		438.181	131.078
Tax payables		343.552	438.218
Other payables		2.107.825	1.276.448
Short-term liabilities other than provisions		4.197.249	2.903.744
Liabilities other than provisions within the business		4.349.799	3.247.296
Liabilities and equity		9.536.374	7.392.550
Contingent liabilities	3		
Collaterals and assets pledged as security	4		

Notes

	2023	2022
1. Employee benefits expense		
Wages and salaries	2.690.382	752.718
Post-employment benefit expense	395.869	134.099
Social security contributions	113.743	25.495
	<u>3.199.994</u>	<u>912.312</u>
Average number of employees	<u>5</u>	<u>3</u>

2. Long-term liabilities

	Due after 1 year	Due within 1 year	Due after 5 years
Tax payables	152.550	0	0
	<u>152.550</u>	<u>0</u>	<u>0</u>

3. Contingent liabilities

The company has entered into a leasing agreement, and the total obligation amounts to T.DKK 368 and runs until mid-2024

No contingent liabilities exist at the balance sheet date.

4. Collaterals and securities

The company has provided a work guarantee with a total of T.DKK 73 opposite Gentofte Municipality. Of the company's liquid holdings of T.DKK 5,587 is T.DKK 778 security account regarding ongoing construction work