

REESINK TURFCARE DK A/S

Lunden 10
DK-5320 Agedrup

CVR no. 15 91 21 38

Annual report 2023

The annual report was presented and approved at
the Company's annual general meeting on

23 April 2024

Carsten Brandt
Chairman of the annual general meeting

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report for REESINK TURFCARE DK A/S for the financial year 1 January - 31 December 2023.

The annual report has been 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 assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Agedrup, 23 April 2024
Executive Board:

Carsten Brandt
CEO

Board of Directors:

Hieronymus Menzo
Hylkema
Chairman

Arjaen Rogier van der Linde

Carsten Brandt



Independent auditor's report

To the shareholder of REESINK TURFCARE DK A/S

Opinion

We have audited the financial statements of REESINK TURFCARE DK A/S for the financial year 1 January - 31 December 2023, comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. 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 assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

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 Company 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.

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 that 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 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 Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 company 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.



Independent auditor's report

- 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 Company'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 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 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 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.

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 the 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 assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility 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 our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

Fredericia, 23 April 2024

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Michael Lund Siegumfeldt
State Authorised Public Accountant
mne28662

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Management's review

Company details

REESINK TURFCARE DK A/S
Lunden 10
DK-5320 Agedrup

CVR no.:	15 91 21 38
Established:	1 May 1992
Registered office:	Odense
Financial year:	1 January - 31 December

Board of Directors

Hieronymus Menzo Hylkema, Chairman
Arjaen Rogier van der Linde
Carsten Brandt

Executive Board

Carsten Brandt, CEO

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Vesterballevej 27,2
DK-7000 Fredericia
CVR no. 25 57 81 98

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Management's review

Operating review

Principal activities

The Company imports and markets quality equipment for lawn care in the form of TORO products for commercial and private use, which are offered through the Company's sales channels, especially on the Danish market.

Development in activities and financial position

The Company's income statement for 2023 shows a profit of DKK 4,061,761 as against a profit of DKK 2,798,407 in 2022. Equity in the Company's balance sheet at 31 December 2023 stood at DKK 47,771,783 as against DKK 43,768,141 at 31 December 2022.

The financial year was in line with forecast, and results for the year are considered satisfactory.

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Income statement

DKK	Note	2023	2022
Gross profit		12,579,629	11,161,141
Staff costs	2	-7,709,516	-7,574,010
Depreciation on property, plant and equipment		-73,610	-106,911
Profit before financial income and expenses		4,796,503	3,480,220
Other financial income	3	409,896	181,738
Other financial expenses		-17,241	-73,470
Profit before tax		5,189,158	3,588,488
Tax on profit for the year	4	-1,127,397	-790,081
Profit for the year		<u>4,061,761</u>	<u>2,798,407</u>
Proposed profit appropriation			
Retained earnings		<u>4,061,761</u>	<u>2,798,407</u>
		<u>4,061,761</u>	<u>2,798,407</u>

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Balance sheet

DKK	Note	31/12 2023	31/12 2022
ASSETS			
Fixed assets			
Intangible assets	5		
Acquired intangible assets		0	0
Property, plant and equipment	6		
Fixtures, fittings, tools and equipment		78,000	137,102
Leasehold improvements		27,805	42,312
		<u>105,805</u>	<u>179,414</u>
Investments			
Receivables from group entities	7	24,280,906	0
Total fixed assets		<u>24,386,711</u>	<u>179,414</u>
Current assets			
Inventories			
Finished goods and goods for resale		13,718,179	17,196,312
Receivables			
Trade receivables		6,230,004	3,813,181
Receivables from group entities		259,825	24,158,153
Corporation tax		0	26,767
Deferred tax assets		26,352	28,829
Other receivables		34,981	155,323
		<u>6,551,162</u>	<u>28,182,253</u>
Cash at bank and in hand		<u>15,103,951</u>	<u>7,497,287</u>
Total current assets		<u>35,373,292</u>	<u>52,875,852</u>
TOTAL ASSETS		<u>59,760,003</u>	<u>53,055,266</u>

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Balance sheet

DKK	Note	31/12 2023	31/12 2022
EQUITY AND LIABILITIES			
Equity			
Contributed capital		2,000,000	2,000,000
Retained earnings		45,771,783	41,768,141
Total equity		<u>47,771,783</u>	<u>43,768,141</u>
Liabilities			
Current liabilities			
Prepayments received from customers		238,230	58,414
Trade payables		8,108,432	6,508,910
Payables to group entities		0	481,199
Other payables, including taxes payable		3,641,558	2,238,602
		<u>11,988,220</u>	<u>9,287,125</u>
Total liabilities		<u>11,988,220</u>	<u>9,287,125</u>
TOTAL EQUITY AND LIABILITIES		<u>59,760,003</u>	<u>53,055,266</u>

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Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 January 2023	2,000,000	41,768,141	43,768,141
Transferred over the profit appropriation	0	4,061,761	4,061,761
Fair value adjustment of hedging instruments	0	-58,119	-58,119
Equity at 31 December 2023	2,000,000	45,771,783	47,771,783

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1 Accounting policies

The annual report of REESINK TURFCARE DK A/S for 2023 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised as other receivables and other payables, respectively.

Changes in the fair value of derivative financial instruments designated as or qualifying for recognition as a hedge of future transactions are recognised as other receivables or other payables and in equity until the realisation of the hedged transactions. If the future transaction results in the recognition of assets or liabilities, amounts that were previously recognised in equity are transferred to the cost of the assets or liabilities. If the future transaction results in income or costs, amounts that were previously recognised in equity are transferred to the income statement for the period when the hedged item affects the income statement.

Income statement

Revenue

Income from the sale of goods, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ®2020.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

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1 Accounting policies

Other operating income

Other operating income comprises items secondary to the activities of the Company, including gains on the disposal of property, plant and equipment as well as payroll refunds.

Other external costs

Other external costs comprise costs for distribution and sales costs, costs for advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

The Company and its Danish group entities are jointly taxed. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Current and deferred tax regarding equity adjustments are booked directly in equity.

Balance sheet

Property, plant and equipment

Leasehold improvements and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures, fittings, tools and equipment	2-5 years
Leasehold improvements	3-5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

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1 Accounting policies

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised write-downs are reversed when the basis for the write-down no longer exists.

Inventories

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

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

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries. Indirect production overheads and borrowing costs are not recognised in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

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1 Accounting policies

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

As management company for all the Danish entities in the joint taxation arrangement, the management company is liable for the payment of the Danish group entities' income taxes to the Danish tax authorities as the Danish group entities pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivable or payable.

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised as investments, receivables from group entities.

Equity

Reserve for hedging instruments

Adjustment of hedging instruments (cash flow hedge) is recognised as a separate reserve in equity. The reserve is dissolved and recognised in the income statement as the amounts are realised. The reserve is distributable and available for dividend distribution.

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

Liabilities

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at amortised cost.

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2 Staff costs

DKK	2023	2022
Wages and salaries	6,187,665	6,032,414
Pensions	1,396,100	1,410,539
Other social security costs	125,751	131,057
	<u>7,709,516</u>	<u>7,574,010</u>
Average number of full-time employees	<u>14</u>	<u>14</u>

3 Other financial income

DKK	2023	2022
Interest income from group entities	408,236	181,338
Other interest income	1,660	400
	<u>409,896</u>	<u>181,738</u>

4 Tax on profit for the year

DKK	2023	2022
Current tax for the year	1,124,920	786,714
Deferred tax adjustment for the year	2,477	3,367
	<u>1,127,397</u>	<u>790,081</u>

5 Intangible assets

DKK	Acquired intangible assets
Cost at 1 January 2023	<u>349,536</u>
Cost at 31 December 2023	<u>349,536</u>
Amortisation and impairment losses at 1 January 2023	<u>-349,536</u>
Amortisation and impairment losses at 31 December 2023	<u>-349,536</u>
Carrying amount at 31 December 2023	<u><u>0</u></u>

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6 Property, plant and equipment

DKK	Fixtures, fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2023	2,847,143	746,799	3,593,942
Cost at 31 December 2023	2,847,143	746,799	3,593,942
Depreciation and impairment at 1 January 2023	-2,710,041	-704,487	-3,414,528
Depreciation for the year	-59,102	-14,507	-73,609
Depreciation and impairment at 31 December 2023	-2,769,143	-718,994	-3,488,137
Carrying amount at 31 December 2023	78,000	27,805	105,805

7 Other long-term receivables

DKK	Receivables from group entities
Cost at 1 January 2023	0
Additions	24,280,906
Cost at 31 December 2023	24,280,906
Carrying amount at 31 December 2023	24,280,906

8 Contractual obligations, contingencies, etc.

Contingent liabilities

As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally liable with other jointly taxed group entities for the payment of income taxes for income year 2020 and onwards as well as for withholding taxes on interest, royalties and dividends falling due for payment on or after 20 November 2020.

Operating lease obligations

Rent and lease liabilities include a rent obligation totaling DKK 600,000 regarding interminable rent agreements with remaining contract terms of 1 year. Furthermore, the Company has operating lease liabilities for cars of DKK 523,773, with a remaining contract period of 32 months.

DKK	31/12 2023	31/12 2022
Rent and lease liabilities	1,123,773	1,171,871

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9 Mortgages and collateral

As security for the Group's debt to banks, the Company has provided collateral in its assets at a total amount of DKK 17,000,000. The total carrying amount of the assets for which collateral has been provided, amounts to DKK 20,053,990 as per 31 December 2023. The collateral and the carrying amount of the financial captions can be divided as follows: Property, plant and equipment, DKK 105,805, Inventories, DKK 13,718,181, Trade receivables, DKK 6,230,004. The Company's equity represents DKK 43.710.023.