PROMOVEC GROUP A/S

ANNUAL REPORT

1 JULY 2022 - 30 JUNE 2023

Promovec Group A/S
Langdyssen 6, 8200 Aarhus N

CVR No. 32 78 29 57

The Annual Report was presented and adopted at the Annual General Meeting of the company

Brian Christensen
Chairman of the general meeting

CONTENTS

MANAGEMENT'S REVIEW 3

Management's statement 4
Company information 5
Group timeline 6
Group overview 7
Group world map 9
Financial highlights 10
Company highlights 11
Management's review 12
Who we are 14
Company history 15
Mission & vision 16
Company values 17

RESPONSIBILITY 18

Working at Promovec 19
DGNB headquarters 20
Responsible production 21
Carbon footprint 22

TECHNOLOGY 23

Product highlights 24
Digital tranformation 25
Our service setup 26
Testing and quality 27

FINANCIAL STATEMENTS 28

Income statement 1 July - 30 June 29
Balance sheet 30 june 30
Statement of changes in equity 33
Cash flow statement 1 July - 30 June 34
Notes to the financial statements 35
Independent auditor's report 54

MANAGEMENT'S REVIEW

MANAGEMENT'S STATEMENT

The Executive Board and Board of Directors have today considered and adopted the Consolidated Financial Statements and Parent Company Financial Statements of Promovec Group A/S for the financial year 1 July 2022 - 30 June 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 30 June 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022/23.

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

We recommend that the Consolidated Financial Statements and Parent Company Financial Statements be adopted at the Annual General Meeting.

Aarhus N,

Executive Board:

Jesper Lundqvist - CEO

Board of Directors:

Gert Kristiansen - Chairman

Kurt Schlott Hansen

Brian Christensen

Camilla Deichmann

COMPANY INFORMATION

THE COMPANY

Promovec Group A/S
Langdyssen 6
Lisbjerg
DK-8200 Aarhus N
CVR No: 32 78 29 57

Financial period:
1 July 2022- 30 June 2023

Incorporated: 25 January 2010
Financial year: 14th financial year
Municipality of reg. office: Aarhus

BOARD OF DIRECTORS

Gert Kristiansen, Chairman

Kurt Schlott Hansen

Brian Christensen

Camilla Deichmann

EXECUTIVE BOARD

Jesper Lundqvist

AUDITORS

PricewaterhouseCoopers
Statsautoriseret
Revisionspartnerselskab
Esbjerg Brygge 28, 2.
DK-6700 Esbjerg

BANKERS

Skjern Bank
Banktorvet 3
6900 Skjern

GROUP TIMELINE

Promovec Group A/S
Aarhus - established in 2010

2001
Promovec A/S was founded
Aarhus - 100% ownership

2008
Pro-Movec GmbH was founded
Flensburg - 100% ownership

2017
Batribike Limited was acquired
Cleethorpes - 50% ownership

2018
Viridus A/S was founded
Aarhus - 100% ownership

2018
Bikerep A/S was founded
Aarhus - 100% ownership

2019
Viridus Manufacturing A/S was founded
Aarhus - 49% ownership

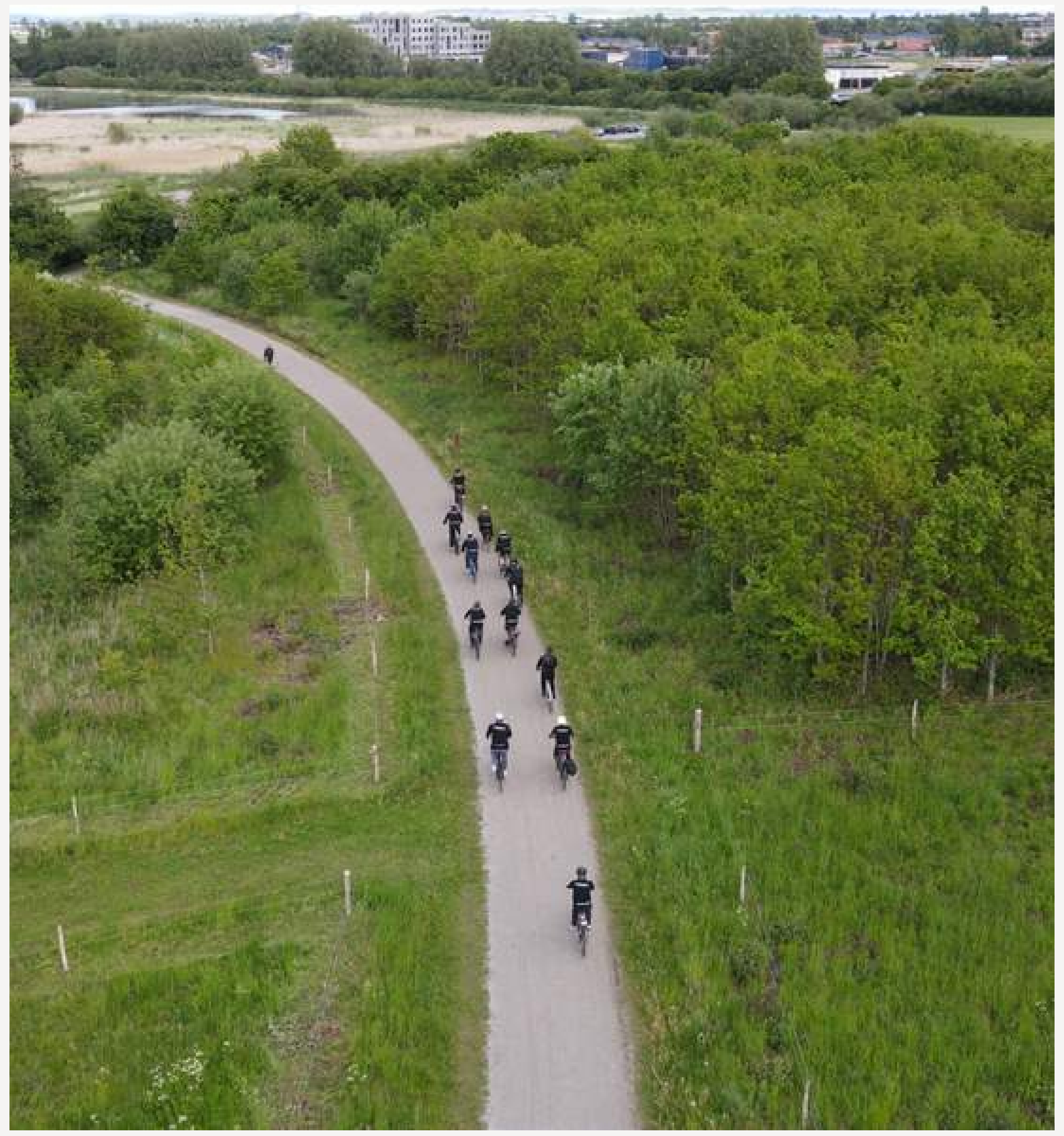
2020
Promovec America Inc. was founded
Conshohocken - 100% ownership

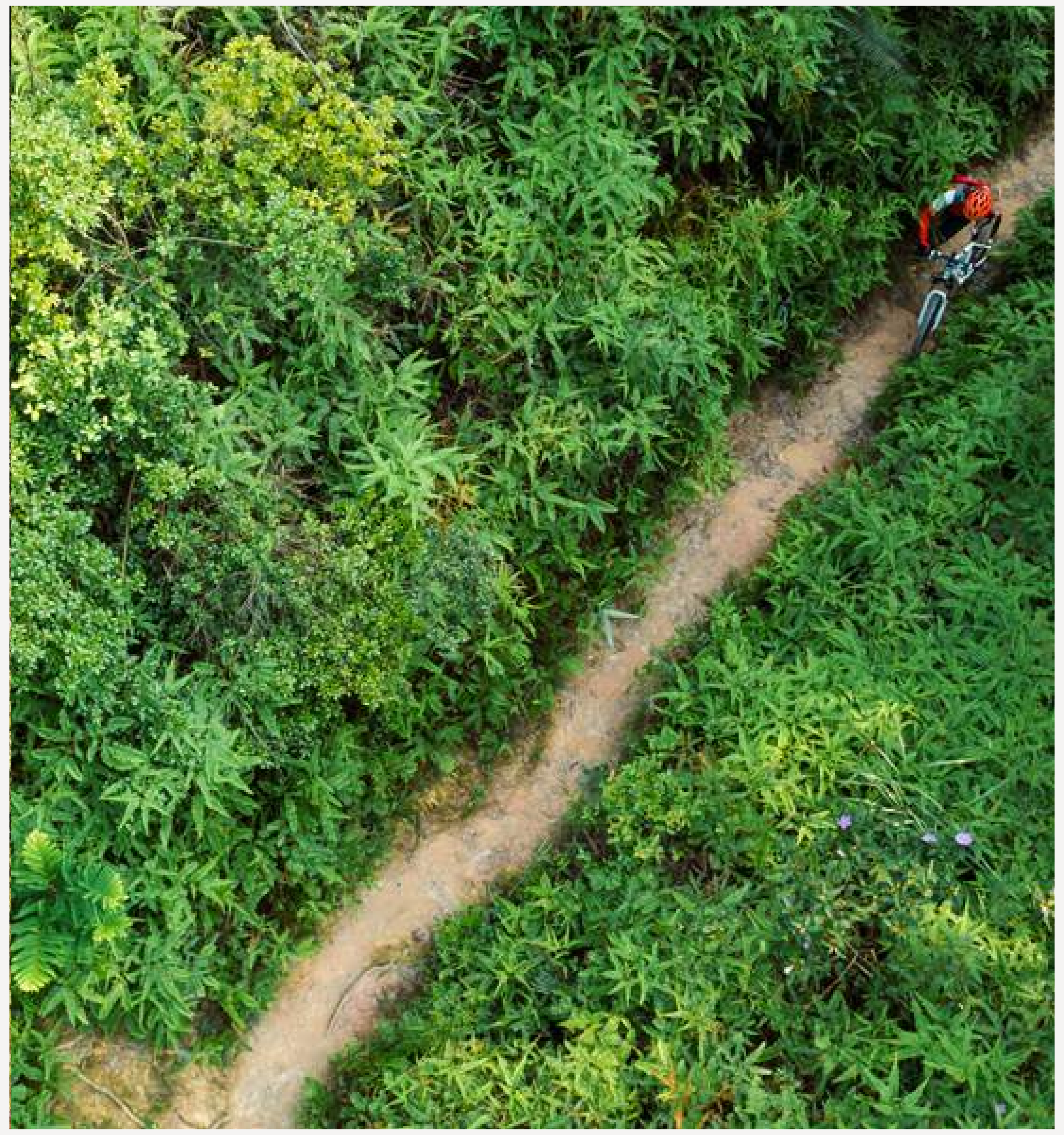
2021
Promovec Properties A/S was founded
Aarhus - 100% ownership

2022
Batribike Limited was acquired
Cleethorpes - 100% ownership

2023
Viridus Manufacturing A/S 26% was acquired
Aarhus - 75% ownership

GROUP OVERVIEW





Promovec A/S

Development, sales and service of e-bikes & e-kits for global brands.

Batribike Limited

Sales and service of e-bikes to dealers in UK.

Pro-Movec GmbH

Sales and service of e-bikes & e-kits to dealers in Germany.

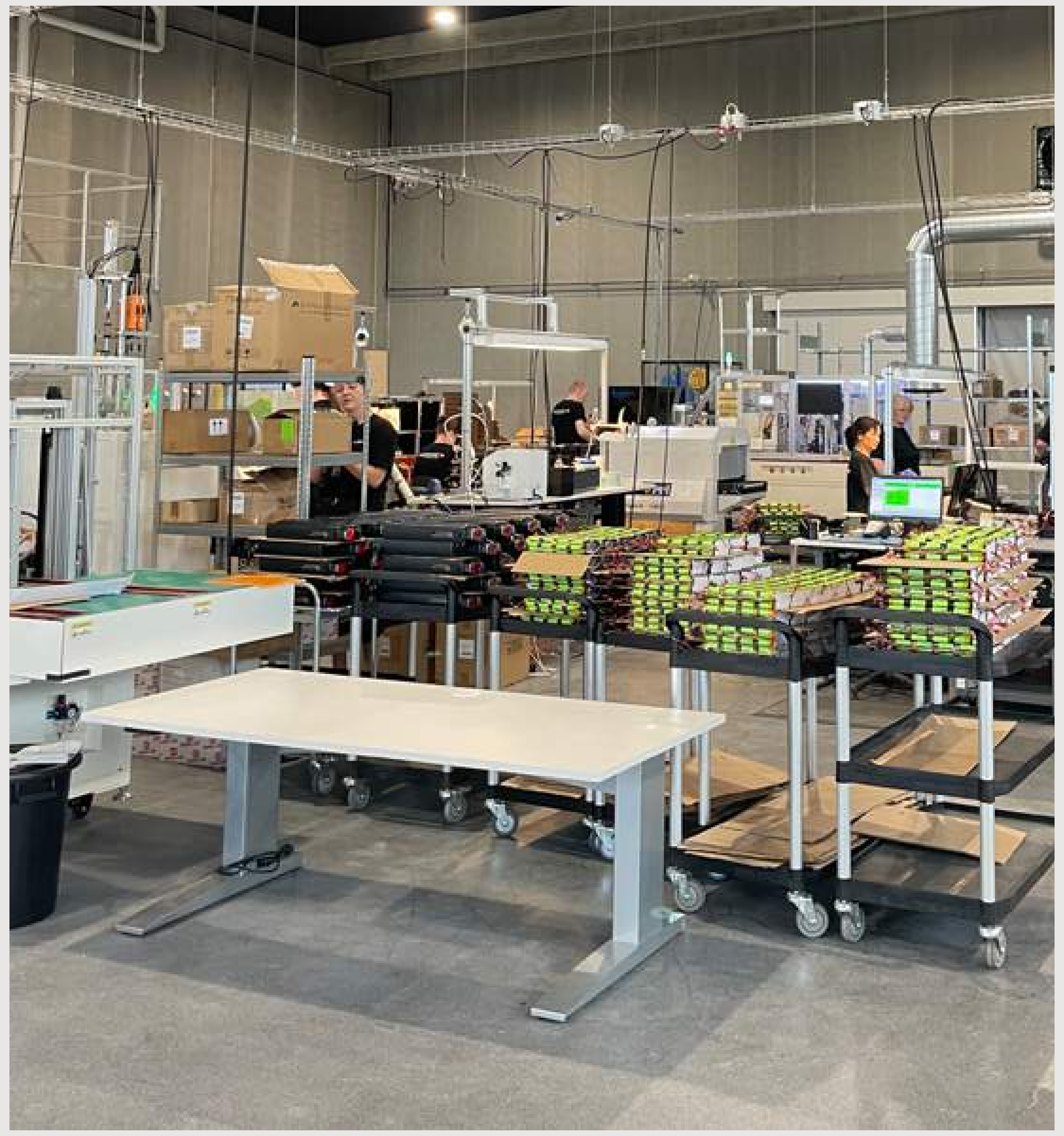
Promovec America Inc.

Sales and service of e-bikes & e-kits to dealers in USA and Canada.

GROUP OVERVIEW

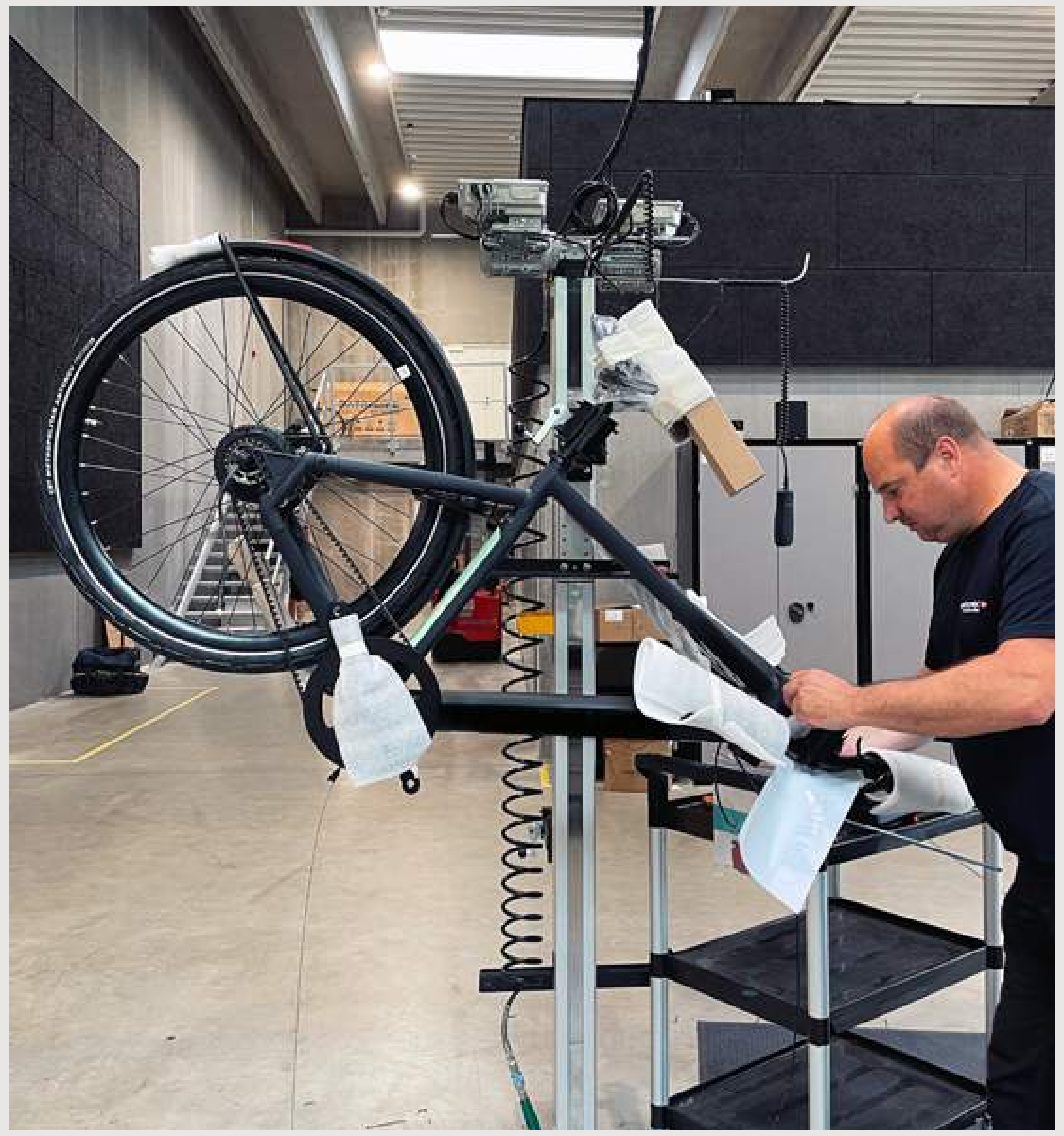
Viridus A/S

Development and sales of battery packs for e-mobility.



Viridus Manufacturing A/S

Danish battery manufacturing facility.



Bikerep A/S

Aftersales service for end users.

Promovec Properties A/S

Real estate.

GROUP WORLD MAP

Headquarter

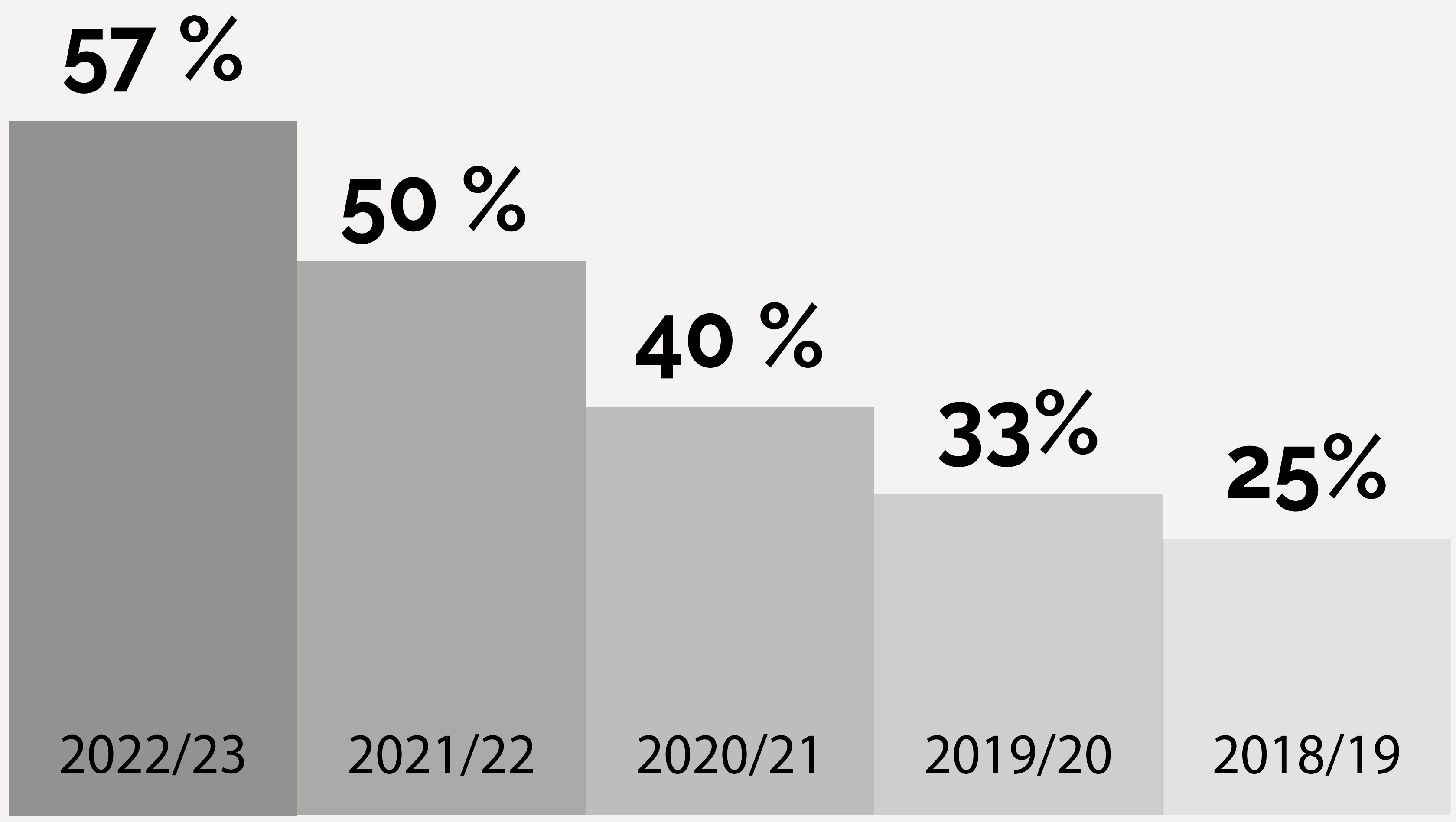
Office/ Service facility

Partner

FINANCIAL HIGHLIGHTS

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

Women in management:



	Group				
	2022/23 TDKK	2021/22 TDKK	2020/21 TDKK	2019/20 TDKK	2018/19 TDKK
Key figures					
Profit/loss					
Profit/loss of ordinary primary operations	25,434	23,812	32,837	8,345	13,830
Profit/loss before financial income and expenses	25,357	23,787	33,049	8,501	13,830
Profit/loss of financial income and expenses	-4,630	385	-10	-1,494	-2,979
Net profit/loss	16,035	19,097	26,157	5,580	8,304
Balance sheet					
Balance sheet total	147,932	242,021	145,505	70,832	84,312
Investment in property, plant and equipment	9,943	50,289	15,667	441	1,844
Equity	79,496	61,413	45,315	21,158	17,278
Cash flows					
Cash flows from:					
- operating activities	39,680	-3,108	-2,024	29,339	24,197
- investing activities	58,586	-51,068	-19,624	-2,238	-3,439
- financing activities	-91,574	54,782	21,385	-32,748	-2,520
Change in cash and cash equivalents for the year	6,691	605	-264	-5,647	-30,156
Number of employees	82	63	64	54	35
Ratios					
Return on assets	17.1%	9.8%	22.7%	12.0%	16.4%
Solvency ratio	53.7%	25.4%	31.1%	29.9%	20.5%
Return on equity	22.8%	35.8%	78.7%	29.0%	63.3%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

COMPANY HIGHLIGHTS

New Headquarters

We have moved into our new headquarters in Aarhus N. It will be awarded with a gold DGNB certificate.

Full ownership of Batribike Limited

Important step towards a bigger market share in the UK.

Viridus A/S launch of new website

More intuitive and visual site with new brand identity.

New battery guarantee from 2 to 3 years

Improved service for our customers.

Strong international presence

With our new strategic partners we expanded our presence on the European market.

Admission of new board member Camilla Deichmann

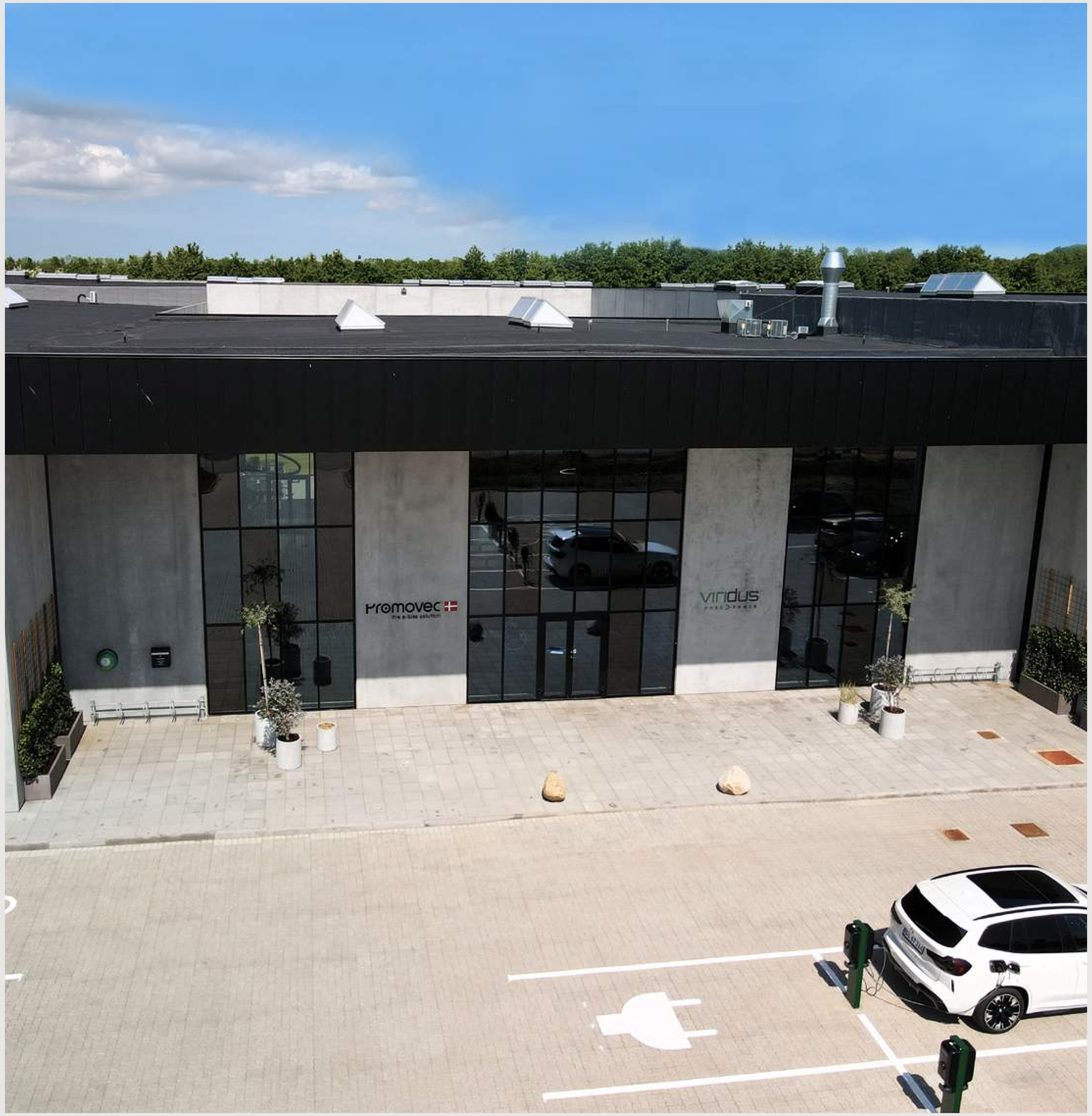
The appointment is part of a continued international growth journey.

Principal ownership of Viridus Manufacturing A/S

Promovec Group increases investment in Viridus Manufacturing and is now main shareholder of the company.

Refurbishment of battery pack cells launched

Huge step towards a more responsible business model.



MANAGEMENT'S REVIEW

Key activities

The Group's activities comprise development, production, sale and servicing of electric bikes, drivelines and batteries for electric bikes. The parent's activity is to invest in shares and other securities.

Development in the year

The income statement of the Group for 2022/23 shows a profit of DKK 16,034,648, and at 30 June 2023 the balance sheet of the Group shows positive equity of DKK 79,495,682.

The past year and follow-up on development expectations from last year

Considering the difficult market situation that has characterized this past year, our result must be described as satisfactory, even though our targets for the year have not been met.

We have been able to act according to the situation and adjust throughout the year. In the beginning of the year, we bought the last 50% of our company Batribike Limited, giving us full ownership. In January, we also bought 26% of our joint venture company Viridus Manufacturing A/S, thereby owing 75%. During spring, we sold our new sustainability-certified property on a sale and lease back agreement, giving us the necessary strength to develop our business.

Furthermore, we have been able to adapt and reorganize the organization to ensure we have the right focus on sale, quality and service, and product development.

Due to the above, our overall solvency has been strengthened considerably, giving us the strength to resist the uncertainties in a continued difficult market.

Special risks - operating risks and financial risks

Because of its operations, investments and financing, the Group is exposed to changes in the level of interest and exchange rates. The parent Company manages the financial risks of the Group centrally and coordinates the cash management of the Group, including funding and investment of surplus liquidity. The Group pursues a Board-approved finance policy operating with a low risk profile so that currency exposure, interest rate exposure and credit risks arise only based on commercial matters.

Foreign exchange risks

The Group is affected by changes in exchange rates as foreign subsidiaries' results and equity at year-end are translated into DKK based on average exchange rates and the exchange rate at the balance sheet date, respectively. The Group does most of its trade in foreign currencies. The Group evaluates on a current basis the need for use of financial instruments to hedge net positions and future transactions. The Group's currency exposure is primarily covered by an internal cash pool.

Liquidity risks

Management assesses that the Group has the necessary funds available to meet the continued development of its activities.

MANAGEMENT'S REVIEW

Targets and expectations for the year ahead

In general, we are in a line of business with a positive development, but the slowdown in the market will continue longer than expected, which will influence us. As a result, we expect our revenue and profit to be receding the coming year.

Therefore, our focus next year will also be on reduction of stock and bringing supplier prices back to normal conditions, together with a continued long-term growth focus, by ensuring our international sales expansion through strategic customers and our product developments.

Overall, the profit before tax in 2023/24 is expected to be DKK minus 4-6 million, with a negative cash flow.

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Unusual events

The financial position at 30 June 2023 of the Group and the results of the activities and cash flows of the Group for the financial year for 2022/23 have not been affected by any unusual events.

Subsequent events

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

WHO WE ARE

Promovec Group A/S has more than 20 years of experience and knowledge in e-mobility. We focus on sustainability, quality, and reliability; we strive to provide a wide range of e-bike components and systems to support and supply greener urbanization.

Our innovative drivetrain and e-mobility solutions are Danish developed with focus on functionality, design, and quality. We are conscious of our responsibility and we work with ambitious and sustainable strategies.

With our innovative solutions, we always work in close cooperation with selected suppliers to constantly improve ourselves

This way, Promovec Group can pursue a reliable and development-oriented vision, in order to meet our customers' demands in new and innovative ways.

COMPANY HISTORY

Promovec was established in 2001, selling aids to elderly. During the first years, the company experienced a greater demand for e-bikes and started to import these from China.

As the interest in the market grew, Promovec began to investigate the potential of developing and manufacturing the e-bikes ourselves, and in 2008 the first self-produced e-bike was sold in Denmark by Promovec.

As pioneers on the Danish market, our competencies within the e-bike business were noticed. During 2009 the focus on the OEM markets increased and from then on, our focus was to provide complete e-bike solutions, from design and development to production and delivery.

In 2008 Pro-Movec GmbH was established and in the coming years, our international focus became stronger. In 2017 we united with UK e-bike distributor Batribike Limited, which had and still has a strong position on the British e-bike market.

Promovec is thinking green and is at the forefront of responsible production. This focus on green mobility led to the opening of Viridus Manufacturing in 2019 on Danish grounds. The factory produces high-quality, high-performing battery packs for the e-mobility industry, focusing on intelligent technologies and green initiatives, striving towards zero-emission production and supply more green energy alternatives.

In 2020 Promovec America Inc. was founded and in 2022 we took full ownership of Batribike Limited.

In July 2022, we moved into our new headquarters. The building will reach a DGNB-gold certification, which is a sustainable certification approaching the entire lifecycle of the building through construction, operational life, and end-of-life recyclability.

In the beginning of 2023, we got a remarkable market share in the Benelux countries and are in general strongly represented at the European market.

At Promovec, it is all about creating a sustainable mindset throughout our business.

MISSION & VISION

OUR MISSION

Promovec Group offers e-mobility solutions to retail, wholesale, bike brands & assemblers with focus on quality, on time delivery, unique service and innovative concepts.

OUR VISION

Promovec Group will create the sustainable e-mobility solution of the future.

COMPANY VALUES

RESPECT

We respect each other, our customers, and what we do. We understand and accept that employees, customers, and business partners are different and should be respected in every way.

We are present and service-minded. We listen to and acknowledge each other, our customers and partners.

RESPONSIBILITY

We are quality conscious and trustworthy in everything we do and committed to making a difference.

We are loyal to each other, our customers, and partners and take responsibility for constantly improving ourselves.

COURAGE

We dare to enter new projects and explore new business areas independently or with customers, suppliers, and other partners.

We are development-oriented and adaptable in our work and dare to be creative and think differently in every part of the organization.

RESPONSIBILITY

WORKING AT PROMOVEC

Employees

Our employees are the core of our success. They devote their ideas, creativity, and knowledge to ensure we can do our best for our customers.

Employees at Promovec Group have access to ergonomic office articles, a healthy canteen, fruit, and in-house fitness.

Furthermore, we focus on life balance and a corporate culture focused on involvement and mutual respect for each other.

We have focused on our social responsibility and contribute to diversity by hiring people with all kinds of life situations and ethnicities: student workers, flextime employees, internships for students, the Zunemployed, and bike mechanics apprenticeships. Also, a sheltered workshop is planned in the coming years.

Bicycle-friendly workplace

Promovec Group encourages a healthy lifestyle; therefore, we encourage our employees to bike to work.

We are a certified bicycle-friendly workplace with bike-friendly facilities such as bike charging stations, baths and changing rooms, washing stations, and available service workshops.

51% of our employees bike to work daily, improving their physical and mental health and reducing our carbon footprint. Every year, we participate in the great initiative" We Bike to Work" campaign arranged by the Danish Cyclists' Association.

51% of our colleagues bike to work

Life balance

DGNB HEADQUARTERS

DGNB gold certified building

Our new headquarters will be awarded a gold DGNB certificate for our focus on sustainability and recyclability.

DGNB is based on the UN's definition of sustainability. In the DGNB system, a building or urban area is evaluated based on six main areas: Environmental quality, economic quality, social quality, technical quality, process quality, and area quality.

Our building has many sustainable solutions and features, which have led to the certification, e.g., wastewater recycling system, biodiversity gardens, CO2 neutral heat pump, reusable building materials, waste sorting, solar panels, bike, and car charging stations, and a healthy indoor climate.

Indoor climate

According to DGNB gold standards, our headquarters provide the following indoor facilities:

CTS ventilation systems for fresh air control:

With this system, the heating and cooling are controlled so that the energy use is minimized.

Acoustic materials for improved sound levels:

- Panels on walls
- Troldtekt ceiling
- Double isolation in flooring and roof to improve sound
- Acoustic pictures on walls
- Acoustic furniture
- Calculation of incoming sunlight
- Automated shades
- More space per employee

DGNB

3 DGNB applications in office, logistics and production

Solar and wind energy

RESPONSIBLE PRODUCTION & PACKAGING

Responsible production

In 2019, we established our battery production facility in Aarhus, Denmark. By producing locally, we ensure that we remain at the forefront of the e-bike market and development, making us a relevant player in developing responsible batteries.

We strive to automate our processes as much as possible with ergonomic tools to ease the employee's workload.

This includes an automated cardboard box assembler, semi-automated battery assembly, ergonomic tables and stools, quality assurance, and a vision camera system for safety.

Our battery production is supplied by 100% renewable energy; we use electric cars for internal transportation. We use SOP (Standard operation procedures) to minimize defects and reduce waste.

Responsible packaging

We are continuously aiming for improvements. Our future plans clearly show our ambition to innovate and contribute to the world's challenges.

Our packaging boxes are recyclable and entirely made from cardboard. The Forest Stewardship Council (FSC) has certified the material we get from a local source.

The FSC initiative fits the fact that we at Promovec Group always seek sustainable, high-quality solutions. Moreover, our shredder machine can recycle cardboard for packing. That way, we ensure we do not waste carbon and recycle as much as possible.

- Reduce supplier carbon waste
- Order of bulk pallets from suppliers
- Eliminate plastic from packaging
- FSC cardboard
- Usage of renewable energy
- Waste sorting

Innovative production

We see it as our obligation to invest in sustainable industrialization by being innovative in all parameters.

Using
100%
Renewable energy in our building

Scope 3
50%
CO_2 reduction by 2030

CARBON FOOTPRINT

In Promovec Group, we have made a CO2 calculation on one of our best-selling bikes. This calculation is the setpoint for our strategic ESG target:

50% CO2 reduction by 2030

The target enables us to measure our impact and allows us to prioritize our efforts.

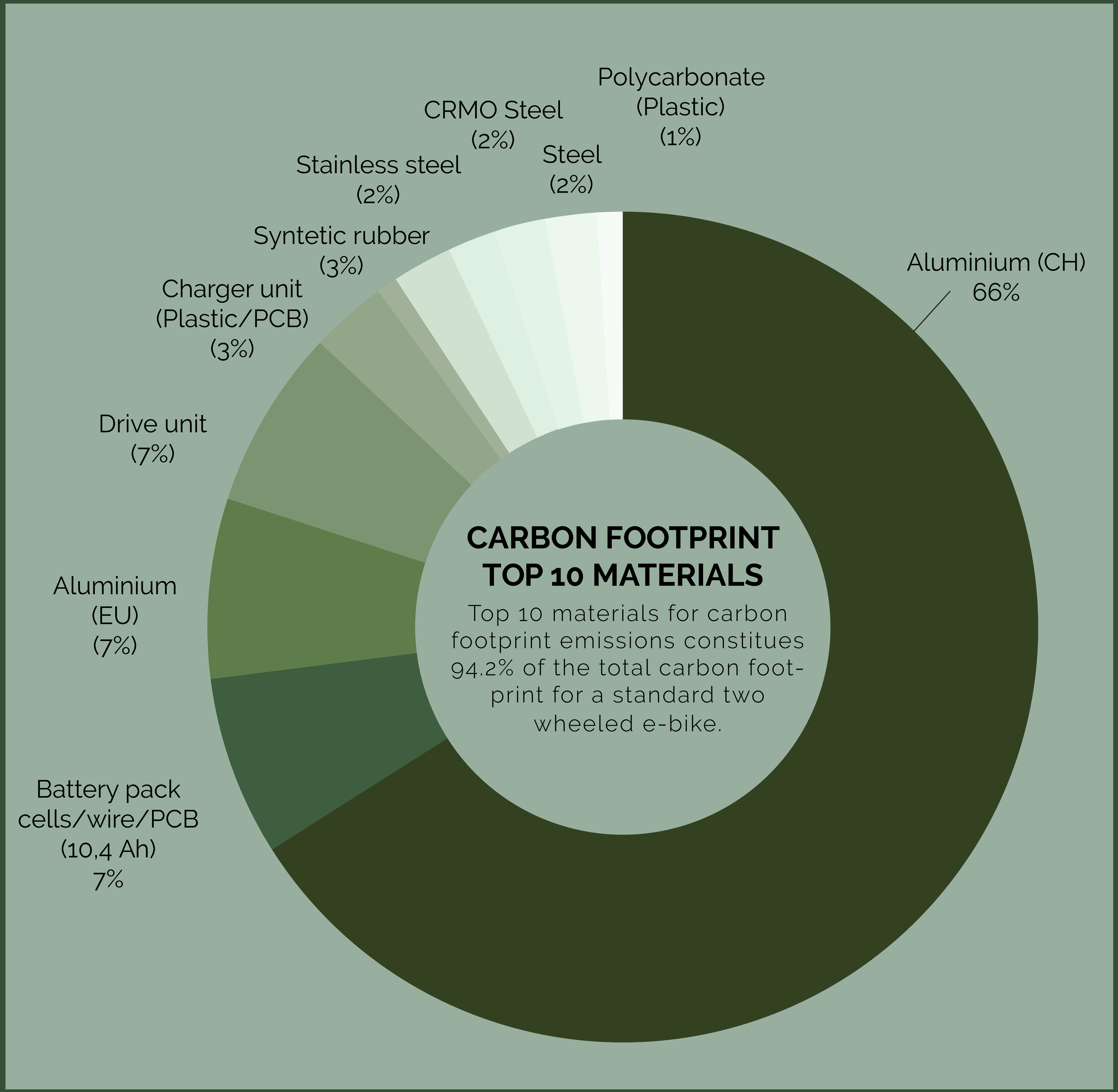
Our focus in the coming years is to find more sustainable suppliers closer to our home market, within areas where we will benefit the most from CO2 reduction; this includes aluminum production, lithium-ion cells production, packaging materials, etc.

Another essential point in our green agenda is our focus on control of our in-house technologies.

As a result, we will be able to source more locally and choose alternative partners for more sustainable production methods.


Own technology


Source locally



TECHNOLOGY

PRODUCT HIGHLIGHTS 2022-2023

Graphic Slim

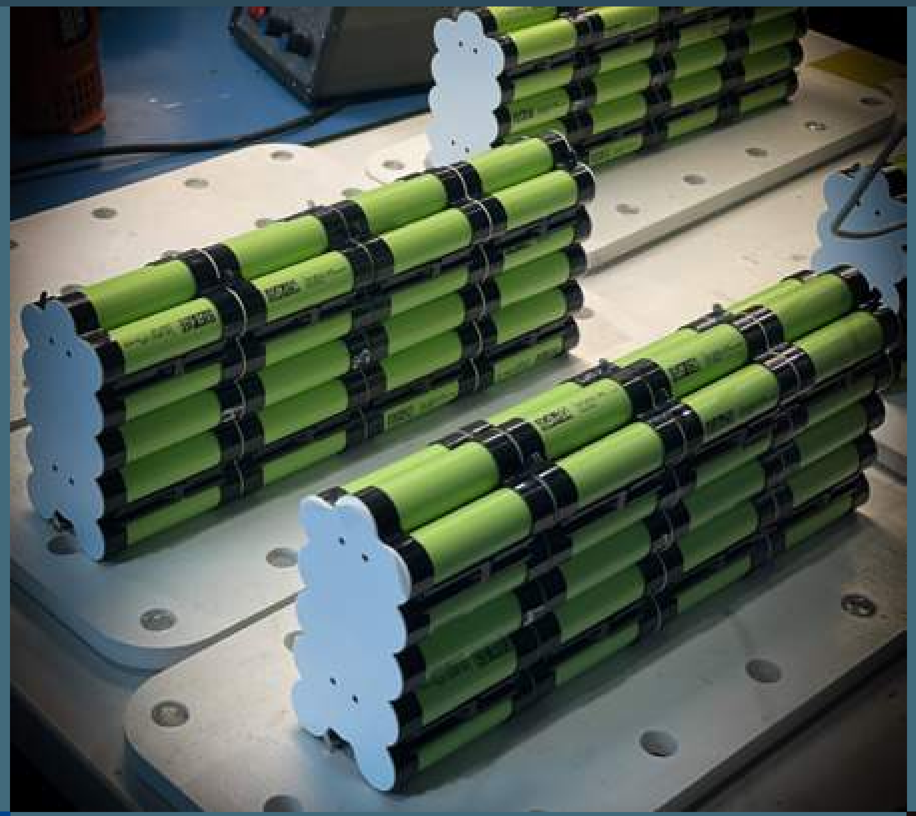
Graphic Slim combines the functionalities of Connect+ and Graphic display, which gives a sleek and functional display.

The display offers a high-contrast display with access to different driving modes and valuable information.

New e-Cargo

Dynamic Cargo is equipped with specially hand-picked components from the exclusive shelves.

The cabin's construction is well thought out down to the smallest detail and is designed with a high hood, which ensures you the most flexible cargo bike with room for everything.



Invisible battery

Our new Invisible battery comes with state-of-the-art technology, which includes the new 21700 cell type.

Combined with a high level of equipment, the battery is elegantly integrated into the frame, which gives a slim look.

Smart Grip

The Smart grip is a new solution, bringing the e-bike under more user control than ever. Handing the control to the fingers is a pleasant and convenient experience.

The new functionality of the Smart Grip is simple and intuitive. The grip is beautifully integrated into the bike handle.

New cell format

We have upgraded our battery assembly with a production line that can produce battery packs with a larger cell format, 21700. We look forward to being able to offer that to our customers.

The cell format is distinguished by having more charging cycles and a greater energy density compared to the current 18650 designs.

DIGITAL TRANSFORMATION

Digital company presentation

The digital landscape is constantly evolving in today's fast-paced, interconnected world. To remain competitive and relevant, companies must embrace digital transformation. At Promovec Group, we have worked hard to convert physical materials into digital material.

Our digitization involves converting traditional paper-based or offline documentation into digital formats. This process has helped us streamline information access, reduce paper waste, and makes it easier to share our profiles electronically. It's an essential step in our strategy to stay competitive and accessible to a broader audience.

Strong online setup

To help our dealers worldwide, we have made significant online solutions on our website and dealer site. A game-changer is our new Bike Look-up. Bike Look-up contains information about electric bicycles produced by Promovec Group from 2008 until today.

Furthermore, we have increased our focus on online services to help our dealers. These new initiatives include service videos on our products, a new complaint handling system, and webinars.

Digital material

Improved Webshop

OUR SERVICE SETUP

Strenghtening relations through customer service

At Promovec Group we have a strong service set-up, we offer service to more than 1500 dealers across the world with on-location service facilities, service hotline support, webinars, video materials, training courses and online service dialogue.

We seek individual solutions and approaches in our service set-up, because few customers are faced with the same challenges. Maintaining an open and collaborative dialogue allows us to understand the needs and preferences on the market better. With this dialogue we always seek to improve our service quality and build up strong relationships with our customers and partners.

We are constantly improving and evaluating the quality of our products and the service of these.

This is done by recruiting top talent and ensuring all materials and products adhere to and pass international tests.

Strong European service setup

Hotline for our dealers

Online help & communication

TESTING AND QUALITY

Our approach

Promovec Group offers our customers high-quality products. Our test department regularly performs tests on both complete e-bikes and individual components.

Doing so gives us a good indication of the product quality and allows us to take action if we find any manufacturing defects.

The test department, which has a wide range of test equipment, is also essential in the ongoing efforts to improve and develop our bikes.

Carefully tested

Before we start using newly developed components, we carry out several tests. We only put new components on the market when we have assessed and approved all test results.

"We always have the users needs in mind when we test. For example, for bicycles targeting the older segment, the controller needs to be less aggressive, so the electric bike has a slower start than a mountain bike for young people, which also needs to have a sportier design. In other words, we always make sure that the systems fit the users."

Thomas Hansen
Technical Electronic Manager

20 Years
More than 20 years of experience

100 %
Inhouse development and expertise

FINANCIAL STATEMENTS

1 July 2022 - 30 June 2023

INCOME STATEMENT

		Group		Parent company	
	Note	2022/23	2021/22	2022/23	2021/22
		DKK	DKK	DKK	DKK
Gross profit		**67,557,608**	**57,038,405**	**-198,330**	**-330,722**
Staff expenses	2	-37,247,123	-30,329,907	0	0
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-4,876,773	-2,896,630	0	0
Other operating expenses		-77,190	-25,342	0	0
Profit/loss before financial income and expenses		**25,356,522**	**23,786,526**	**-198,330**	**-330,722**
Income from investments in subsidiaries		0	0	16,165,392	19,339,172
Income from investments in associates		354,513	578,396	0	51,477
Financial income	4	75,505	961,774	356,634	0
Financial expenses	5	-5,059,758	-1,155,073	-173,696	-45,470
Profit/loss before tax		**20,726,782**	**24,171,623**	**16,150,000**	**19,014,457**
Tax on profit/loss for the year	6	-4,692,134	-5,074,404	-15,444	82,762
Net profit/loss for the year	7	**16,034,648**	**19,097,219**	**16,134,556**	**19,097,219**

30 June 2023

BALANCE SHEET

Assets

	Note	Group 2022/23 DKK	Group 2021/22 DKK	Parent company 2022/23 DKK	Parent company 2021/22 DKK
Completed development projects		4,111,046	2,598,421	0	0
Goodwill		2,592,417	0	0	0
Development projects in progress		4,478,127	4,060,212	0	0
Intangible assets	8	**11,181,590**	**6,658,633**	**0**	**0**
Land and buildings		3,198,800	0	0	0
Plant and machinery		0	0	0	0
Other fixtures and fittings, tools and equipment		6,912,613	3,938,921	0	0
Leasehold improvements		763,958	286,279	0	0
Property, plant and equipment in progress		0	61,207,209	0	0
Property, plant and equipment	9	**10,875,371**	**65,432,409**	**0**	**0**
Investments in subsidiaries	10	0	0	67,562,083	64,370,831
Investments in associates	11	0	4,035,145	0	350,858
Other receivables	12	89,038	356,000	0	0
Fixed asset investments		**89,038**	**4,391,145**	**67,562,083**	**64,721,689**
Fixed assets		**22,145,999**	**76,482,187**	**67,562,083**	**64,721,689**
Inventories	13	**69,180,940**	**61,451,031**	**0**	**0**

	Note	Group 2022/23 DKK	Group 2021/22 DKK	Parent company 2022/23 DKK	Parent company 2021/22 DKK
Trade receivables		39,194,795	76,165,505	0	0
Receivables from group enterprises		1,516,000	340,000	16,511,817	0
Receivables from associates		0	517,421	0	0
Other receivables		2,891,447	21,081,857	0	0
Corporation tax receivable from group enterprises		0	0	82,767	110,421
Prepayments	14	4,441,376	4,112,151	0	0
Receivables		**48,043,618**	**102,216,934**	**16,594,584**	**110,421**
Cash at bank and in hand		**8,561,882**	**1,870,525**	**7**	**639**
Current assets		**125,786,440**	**165,538,490**	**16,594,591**	**111,060**
Assets		**147,932,439**	**242,020,677**	**84,156,674**	**64,832,749**

30 June 2023

BALANCE SHEET

Liabilities and equity

	Note	Group 2022/23	Group 2021/22	Parent company 2022/23	Parent company 2021/22
		DKK	DKK	DKK	DKK
Share capital		746,401	746,401	746,401	746,401
Reserve for net revaluation under the equity method		0	0	61,833,859	56,180,568
Reserve for development costs		6,699,555	5,196,368	0	0
Retained earnings		70,089,022	55,469,753	14,954,718	4,485,553
Equity attributable to shareholders of the Parent Company		**77,534,978**	**61,412,522**	**77,534,978**	**61,412,522**
Minority interests		1,960,704	0	0	0
Equity		**79,495,682**	**61,412,522**	**77,534,978**	**61,412,522**
Provision for deferred tax	15	1,632,702	2,133,079	0	0
Other provisions	16	3,223,596	3,009,268	0	0
Provisions		**4,856,298**	**5,142,347**	**0**	**0**
Mortgage loans		0	30,193,959	0	0
Payables to group enterprises relating to corporation tax		6,332,040	0	15,444	0
Other payables		2,175,175	1,834,867	0	0
Long-term debt	17	**8,507,215**	**32,028,826**	**15,444**	**0**

	Note	Group 2022/23	Group 2021/22	Parent company 2022/23	Parent company 2021/22
		DKK	DKK	DKK	DKK
Mortgage loans	17	0	1,489,459	0	0
Credit institutions		27,846,348	62,316,522	0	0
Prepayments received from customers		170,419	0	0	0
Trade payables		14,328,435	61,068,086	0	76,340
Payables to group enterprises		0	0	6,596,252	3,333,466
Payables to associates		0	421	0	421
Corporation tax		0	10,572,408	0	0
Payables to group enterprises relating to corporation tax		3,776,260	394,798	0	0
Other payables	17	8,951,782	7,595,288	10,000	10,000
Short-term debt		**55,073,244**	**143,436,982**	**6,606,252**	**3,420,227**
Debt		**63,580,459**	**175,465,808**	**6,621,696**	**3,420,227**
Liabilities and equity		**147,932,439**	**242,020,677**	**84,156,674**	**64,832,749**

30 June 2023

BALANCE SHEET

Contingent assets, liabilities and other financial obligations	20
Related parties	21
Accounting Policies	22

STATEMENT OF CHANGES IN EQUITY

Group

	Share capital	Reserve for development costs	Retained earnings	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 July	746,401	5,196,368	55,469,753	61,412,522	0	61,412,522
Net effect from merger and acquisition under the uniting of interests method	0	0	0	0	2,060,612	2,060,612
Adjusted equity at 1 July	746,401	5,196,368	55,469,753	61,412,522	2,060,612	63,473,134
Exchange adjustments	0	0	-12,100	-12,100	0	-12,100
Development costs for the year	0	2,308,328	-2,308,328	0	0	0
Depreciation, amortisation and impairment for the year	0	-805,141	805,141	0	0	0
Net profit/loss for the year	0	0	16,134,556	16,134,556	-99,908	16,034,648
Equity at 30 June	**746,401**	**6,699,555**	**70,089,022**	**77,534,978**	**1,960,704**	**79,495,682**

Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 July	746,401	56,180,568	4,485,553	61,412,522	0	61,412,522
Exchange adjustments	0	-12,100	0	-12,100	0	-12,100
Net profit/loss for the year	0	5,665,391	10,469,165	16,134,556	0	16,134,556
Equity at 30 June	**746,401**	**61,833,859**	**14,954,718**	**77,534,978**	**0**	**77,534,978**

1 July 2022 - 30 June 2023

CASH FLOW STATEMENT

	Note	Group 2022/23 DKK	Group 2021/22 DKK
Result of the year		16,034,648	19,097,219
Adjustments	18	363,688	6,835,968
Change in working capital	19	35,832,722	-27,563,604
Cash flow from operations before financial items		**52,231,058**	**-1,630,417**
Financial income		75,505	961,774
Financial expenses		-5,059,370	-1,119,349
Cash flows from ordinary activities		**47,247,193**	**-1,787,992**
Corporation tax paid		-7,567,206	-1,320,194
Cash flows from operating activities		**39,679,987**	**-3,108,186**
Purchase of intangible assets		-2,962,772	-779,420
Purchase of property, plant and equipment		-9,900,035	-50,288,921
Sale of property, plant and equipment		79,554,461	0
Business acquisition		-8,106,153	0
Cash flows from investing activities		**58,585,501**	**-51,068,341**

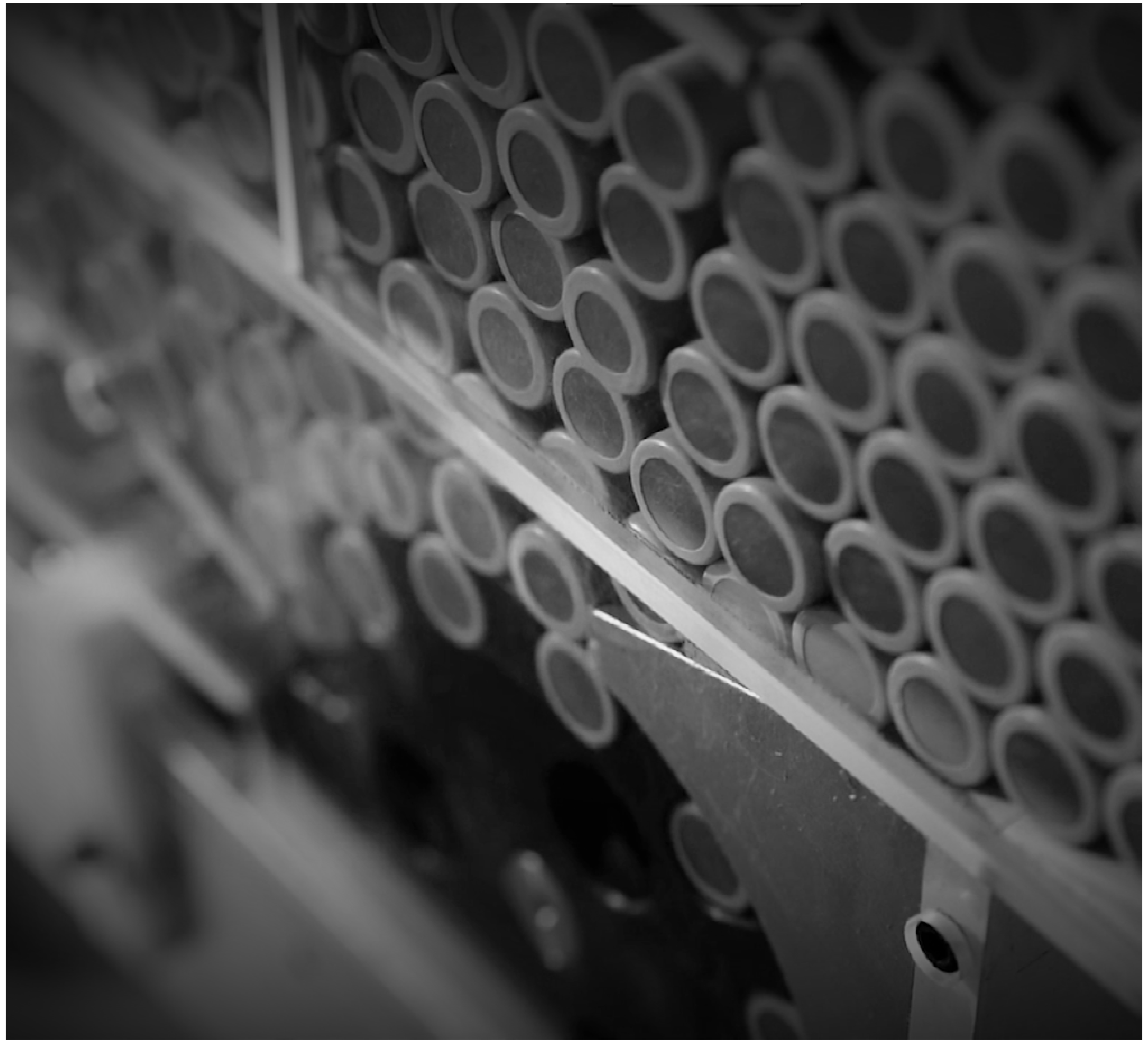
	Note	Group 2022/23 DKK	Group 2021/22 DKK
Repayment of mortgage loans		-31,683,418	-1,532,098
Repayment of loans from credit institutions		-44,038,212	0
Repayment of payables to group enterprises		-18,253,421	0
Repayment of other long-term debt		340,308	0
Raising of loans from credit institutions		0	56,863,068
Raising of payables to associates		0	2,450,660
Other equity entries		2,060,612	0
Dividend paid		0	-3,000,000
Cash flows from financing activities		**-91,574,131**	**54,781,630**
Change in cash and cash equivalents		**6,691,357**	**605,103**
Cash and cash equivalents at 1 July		1,870,525	1,265,422
Cash and cash equivalents at 30 June		**8,561,882**	**1,870,525**
Cash and cash equivalents are specified as follows: Cash at bank and in hand		8,561,882	1,870,525
Cash and cash equivalents at 30 June		**8,561,882**	**1,870,525**

NOTES TO THE
FINANCIAL STATEMENT

	Group		Parent company	
	2022/23 DKK	2021/22 DKK	2022/23 DKK	2021/22 DKK
1. Other operating income				
Profit on sale of property	13,900,049	0	0	0
Wage reimbursement	420,686	125,286	0	0
Compensation regarding fire	1,436,521	0	0	0
Exchange adjustments repayment mortgage loans	4,953,403	0	0	0
	20,710,659	**125,286**	**0**	**0**

	Group		Parent company	
	2022/23 DKK	2021/22 DKK	2022/23 DKK	2021/22 DKK
2. Staff Expenses				
Wages and salaries	31,626,905	25,498,612	0	0
Pensions	3,940,753	3,542,907	0	0
Other social security expenses	300,774	325,785	0	0
Other staff expenses	1,378,691	962,603	0	0
	37,247,123	**30,329,907**	**0**	**0**
Including remuneration to the Executive Board and Board of Directors	**2,406,256**	**2,435,000**		
Average number of employees	**82**	**63**	**0**	**0**

NOTES TO THE **FINANCIAL STATEMENT**



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

	Group 2022/23 DKK	Group 2021/22 DKK	Parent company 2022/23 DKK	Parent company 2021/22 DKK
Amortisation of intangible assets	1,246,381	1,044,396	0	0
Depreciation of property, plant and equipment	3,630,392	1,852,234	0	0
	4,876,773	**2,896,630**	**0**	**0**
Which is specified as follows:				
Amortisation - Completed development projects	1,035,300	1,044,396	0	0
Amortisation - Goodwill	211,081	0	0	0
Depreciation - Leasehold improvements	186,710	249,012	0	0
Depreciation - Buildings	643,934	0	0	0
Depreciation - Other fixtures and fittings, tools and equipment	2,364,546	930,738	0	0
Depreciation - Minor acquisitions	435,202	672,484	0	0
	4,876,773	**2,896,630**	**0**	**0**

4. Financial income

	Group 2022/23 DKK	Group 2021/22 DKK	Parent company 2022/23 DKK	Parent company 2021/22 DKK
Interest received from group enterprises	0	0	356,634	0
Interest received from associates	0	13,876	0	0
Other financial income	0	947,898	0	0
Exchange adjustments	75,505	0	0	0
	75,505	**961,774**	**356,634**	**0**

NOTES TO THE
FINANCIAL STATEMENT

5. Financial expenses

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	DKK	DKK	DKK	DKK
Interest paid to group enterprises	0	0	173,696	45,259
Other financial expenses	5,052,758	1,155,073	0	211
Exchange loss	7,000	0	0	0
	5,059,758	**1,155,073**	**173,696**	**45,470**

6. Income tax expense

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	DKK	DKK	DKK	DKK
Current tax for the year	5,431,042	4,535,318	15,444	-82,762
Deferred tax for the year	-739,096	539,086	0	0
Adjustment of tax concerning previous years	188	0	0	0
	4,692,134	**5,074,404**	**15,444**	**-82,762**

7. Profit allocation

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	DKK	DKK	DKK	DKK
Reserve for net revaluation under the equity method	0	0	5,665,391	14,890,649
Minority interests' share of net profit/loss of subsidiaries	-99,908	0	0	0
Retained earnings	16,134,556	19,097,219	10,469,165	4,206,570
	16,034,648	**19,097,219**	**16,134,556**	**19,097,219**

NOTES TO THE FINANCIAL STATEMENT

8. Intangible fixed assets

Group

	Completed development projects	Goodwill	Development projects in progress
	DKK	DKK	DKK
Cost at 1 July	15,992,761	0	4,060,212
Additions for the year	0	2,806,529	2,962,772
Transfers for the year	2,544,857	0	-2,544,857
Cost at 30 June	18,537,618	2,806,529	4,478,127
Impairment losses and amortisation at 1 July	13,394,340	0	0
Exchange adjustment	0	-30	0
Amortisation for the year	1,032,232	214,142	0
Impairment losses and amortisation at 30 June	14,426,572	214,112	0
Carrying amount at 30 June	**4,111,046**	**2,592,417**	**4,478,127**

Development projects related to the development of new versions of the Company's existing products as well as expansion of the Company's product range. In FY 2022/23 we completed five development projects and eight new projects for the coming years have been started up.

This year, we finished more of our display developments, and they have been received positively in the market. We will continue the coming year with further developments. The batteries, that needed an upgrade due to changed legislations, have been finished, but we will continue with further new battery developments that are placed in the downtube, as this design is in high demand.

For next year, our focus will be on developing our own platform technology, so we can reduce dependency on sub-suppliers. This way we can also make the green transition possible, by being able to choose more freely which supplier to use. Furthermore, we will strengthen our development focus within products adapted to the international market and make further developments together with our international strategic customers.

Since 2019, Viridus Manufacturing has built up experience in assembling lithium-Ion batteries for electric micro mobility. We want to expand the customer base, and this must be done through customer projects. The first projects are a 20-cell and a 30-cell battery for an international customer. The aim with this project and future customer project is to develop Viridus Manufacturing from being an assembly factory to becoming a one stop supplier of battery solutions.

NOTES TO THE
FINANCIAL STATEMENT

9. Property, plant and equipment

Group

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
	DKK	DKK	DKK	DKK	DKK
Cost at 1 July	0	16,655	7,575,307	2,139,884	61,207,209
Exchange adjustment	0	18	592	0	0
Additions for the year	0	0	5,438,234	781,580	6,735,478
Disposals for the year	-64,743,887	0	-100,207	-1,868,374	0
Transfers for the year	67,942,687	0	0	0	-67,942,687
Cost at 30 June	3,198,800	16,673	12,913,926	1,053,090	0
Revaluations at 1 July	0	0	0	0	0
Exchange adjustment	0	0	251	0	0
Revaluations at 30 June	0	0	251	0	0
Impairment losses and depreciation at 1 July	0	16,655	3,636,386	1,853,605	0
Exchange adjustment	0	18	634	0	0
Depreciation for the year	-643,934	0	2,364,544	186,711	0
Impairment and depreciation of sold assets for the year	643,934	0	0	0	0
Reversal of impairment and depreciation of sold assets	0	0	0	-1,751,184	0
Impairment losses and depreciation at 30 June	0	16,673	6,001,564	289,132	0
Carrying amount at 30 June	**3,198,800**	**0**	**6,912,613**	**763,958**	**0**

NOTES TO THE

FINANCIAL STATEMENT

10. Investments in subsidiaries

	Parent company 2022/23 DKK	Parent company 2021/22 DKK
Cost at 1 July	4,040,701	4,040,701
Transfers for the year	1,687,523	0
Cost at 30 June	5,728,224	4,040,701
Value adjustments at 1 July	60,330,130	43,990,958
Exchange adjustment	-12,101	0
Net profit/loss for the year	18,072,159	19,339,172
Dividend to the Parent Company	-15,000,000	-3,000,000
Amortisation of goodwill	-133,625	0
Change in intercompany profit on inventories	-1,773,142	0
Transfers for the year	350,438	0
Value adjustments at 30 June	61,833,859	60,330,130
Carrying amount at 30 June	**67,562,083**	**64,370,831**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
BikeRep A/S	Aarhus	DKK 746.401	100%
Promovec A/S	Aarhus	DKK 5.000.000	100%
Promovec GmbH	Flensborg	EUR 25.000	100%
Viridus A/S	Aarhus	DKK 500.000	100%
Promovec America Inc.	Conshohocken	USD 10.000	100%
Promovec Properties A/S	Aarhus	DKK 400.000	100%
BatriBike Ltd.	Cleethorpes	GBP 100	100%

NOTES TO THE
FINANCIAL STATEMENT

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	DKK	DKK	DKK	DKK
11. Investments in associated companies				
Cost at 1 July	3,097,918	3,097,918	420	420
Additions for the year	1,687,103	0	1,687,103	0
Transfers for the year	-4,785,021	0	-1,687,523	0
Cost at 30 June	0	3,097,918	0	420
Value adjustments at 1 July	937,227	358,831	350,438	298,961
Net profit/loss for the year	354,513	578,396	0	51,477
Transfers for the year	-1,291,740	0	-350,438	0
Value adjustments at 30 June	0	937,227	0	350,438
Carrying amount at 30 June	**0**	**4,035,145**	**0**	**350,858**

12. Other fixed asset investments

Group

	Other receivables
	DKK
Cost at 1 July	356,000
Disposals for the year	-266,962
Cost at 30 June	89,038
Carrying amount at 30 June	**89,038**

NOTES TO THE FINANCIAL STATEMENT

13. Inventories

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	DKK	DKK	DKK	DKK
Raw materials and consumables	6,460,212	0	0	0
Finished goods and goods for resale	62,720,728	61,451,031	0	0
	69,180,940	**61,451,031**	**0**	**0**

14. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well as fair value adjustments of derivative financial instruments with a positive fair value.

15. Provision for deferred tax

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	DKK	DKK	DKK	DKK
Deferred tax liabilities at 1 July	2,133,079	1,593,993	0	0
Amounts recognised in the income statement for the year	-500,038	539,086	0	0
Amounts recognised in equity for the year	-339	0	0	0
Deferred tax liabilities at 30 June	**1,632,702**	**2,133,079**	**0**	**0**

16. Other provisions

The Company provides warranties of on some of its products and is therefore obliged to repair or replace goods which are not satisfactory. Based on previous experience in respect of the level of repairs and returns, other provisions of DKK 3,224 (2021/22: DKK 3,009) have been recognised for expected warranty claims.

	Group		Parent company	
	2021/22	2021/22	2022/23	2021/22
	DKK	DKK	DKK	DKK
Other provisions	3,223,596	3,009,268	0	0
	3,223,596	**3,009,268**	**0**	**0**
The provisions are expected to mature as follows:				
Within 1 year	2,853,870	2,637,862	0	0
Between 1 and 5 years	369,726	371,406	0	0
After 5 years	0	0	0	0
	3,223,596	**3,009,268**	**0**	**0**

NOTES TO THE
FINANCIAL STATEMENT

17. 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:

	Group		Parent company	
	2022/23 DKK	2021/22 DKK	2022/23 DKK	2021/22 DKK
Mortgage loans				
After 5 years	0	24,098,650	0	0
Between 1 and 5 years	0	6,095,309	0	0
Long-term part	0	30,193,959	0	0
Within 1 year	0	1,489,459	0	0
	0	**31,683,418**	**0**	**0**
Payables to group enterprises relating to corporation tax				
Between 1 and 5 years	6,332,040	0	15,444	0
Long-term part	6,332,040	0	15,444	0
Within 1 year	3,776,260	394,798	0	0
	10,108,300	**394,798**	**15,444**	**0**
Other payables				
After 5 years	0	0	0	0
Between 1 and 5 years	2,175,175	1,834,867	0	0
Long-term part	2,175,175	1,834,867	0	0
Other short-term payables	8,951,782	7,595,288	10,000	10,000
	11,126,957	**9,430,155**	**10,000**	**10,000**

NOTES TO THE

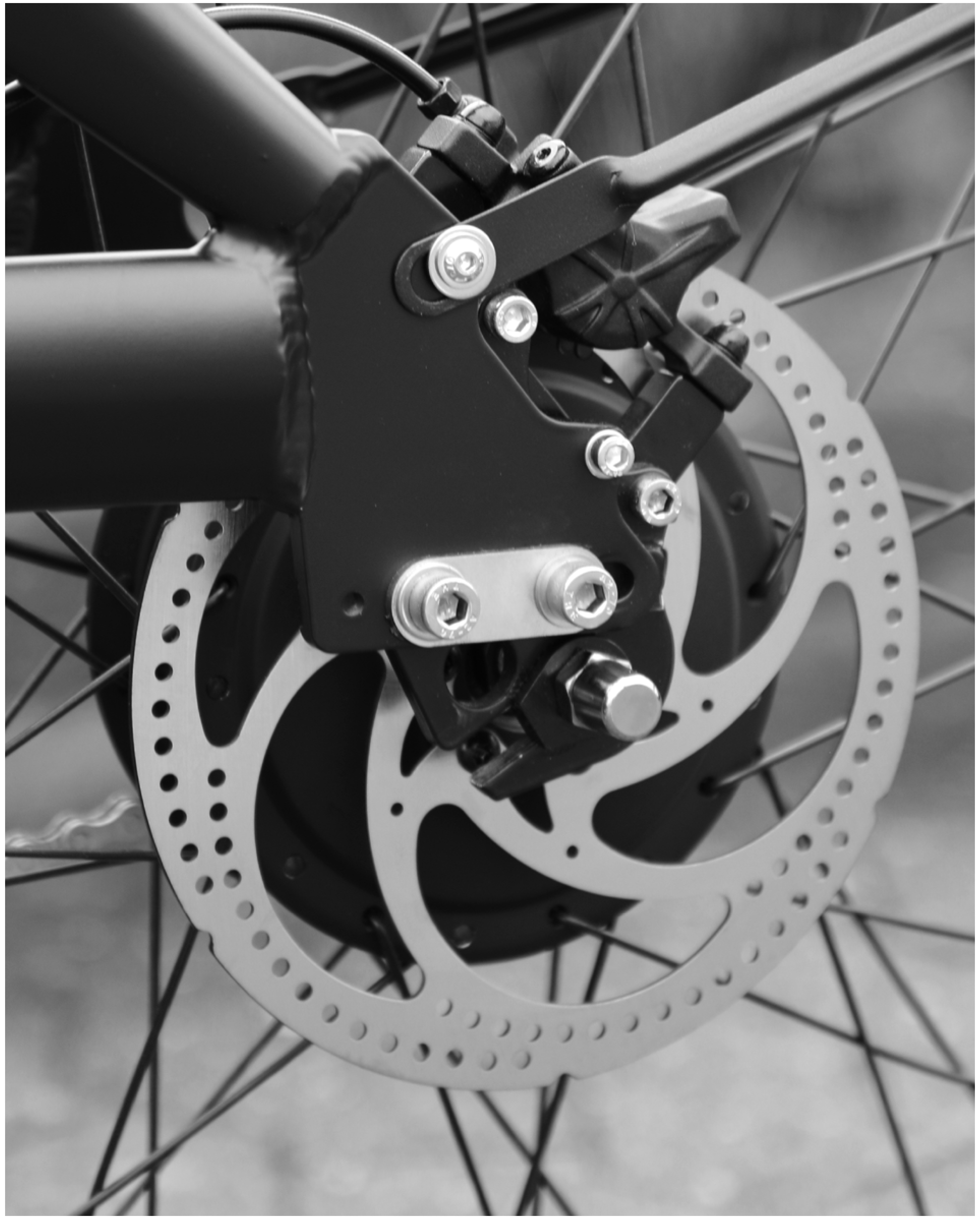
FINANCIAL STATEMENT

18. Cash flow statement - Adjustments

	Group	
	2022/23 DKK	2021/22 DKK
Financial income	-75,505	-961,774
Financial expenses	5,059,758	1,155,073
Depreciation, amortisation and impairment losses, including losses and gains on sales	-8,946,086	2,146,661
Income from investments in associates	-354,513	-578,396
Tax on profit/loss for the year	4,692,134	5,074,404
Exchange adjustments	-12,100	0
	363,688	**6,835,968**

19. Cash flow statement - Change in working capital

	Group	
	2022/23 DKK	2021/22 DKK
Change in inventories	17,324,815	-7,842,578
Change in receivables	70,201,991	-38,568,011
Change in other provisions	-214,475	1,149,176
Change in trade payables, etc	-51,479,609	17,697,809
	35,832,722	**-27,563,604**



NOTES TO THE
FINANCIAL STATEMENT

	Group		Parent company	
	2022/23 DKK	2021/22 DKK	2022/23 DKK	2021/22 DKK
20. Contingent assets, liabilities and other financial obligations				
Charges and security				
The following assets have been placed as security with mortgage credit institutes:				
Property and plant with an accounting value of DKK	0	61,207,209	0	0
The following assets have been placed as security with bankers:				
Company mortgage on nom. kDKK 44,000, which provides security in the Company's intangible and tangible fixed assets, inventories and debtors with an accounting value of DKK	113,606,610	146,064,689	0	0
The following assets have been placed as security with :				

Shares of DKK 500.000 in Promovec A/S has been charged as collateral for the banks facilities with Promovec A/S. Accounting value of Equity is DKK 48,988,179 per 30 June 2023.

	Group 2022/23 DKK	Group 2021/22 DKK	Parent company 2022/23 DKK	Parent company 2021/22 DKK
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	5,516,591	183,358	0	0
Between 1 and 5 years	18,590,064	311,163	0	0
After 5 years	39,359,355	0	0	0
	63,466,010	**494,521**	**0**	**0**
Lease obligations, terminated lease	0	699,244	0	0

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Jesper Lundqvist Holding ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

The Parent Company has provided a guarantee to Skjern Bank A/S for the banks facilities with Promovec A/S and BikeRep A/S.

NOTES TO THE FINANCIAL STATEMENT

21. Related parties and disclosure of consolidated financial statements

	Basis
Controlling interest	
Jesper Lundqvist Holding ApS	Parent Company
Other related parties	
Jesper Lundqvist	Executive Board
Gert Kristiansen	Chairman of the Board of Directors
Brian Christensen	Member of the Board of Directors
Kurt Schlott Hansen	Member of the Board of Directors
Camilla Deichmann	Member of the Board of Directors

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.

Consolidated Financial Statements
The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name:	Place of registered office
Jesper Lundqvist Holding ApS	Aarhus C, Denmark

NOTES TO THE FINANCIAL STATEMENT

22. Accounting Policies

The Annual Report of Promovec Group A/S for 2022/23 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 2022/23 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, Promovec Group A/S, 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.

NOTES TO THE FINANCIAL STATEMENT

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquistition of subsidiaries.

Business acquisitions carried through on or after 1 July 2018

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

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.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences 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.

NOTES TO THE FINANCIAL STATEMENT

Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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

Net sales

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.

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 indirect production costs and expenses for premises, sales and distribution 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, change in inventories of finished goods, work in progress and goods for resale, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

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

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 associates

The item "Income from investments in associates" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

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.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

NOTES TO THE
FINANCIAL STATEMENT

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 10 years, determined on the basis of Management's experience with the individual business areas.

Development projects

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 5 year.

Property, plant and equipment

On acquisition land and buildings are measured at cost comprising the acquisition price and costs of acquisition. The cost of own constructed properties comprises the acquisition price and expenses directly related to the acquisition, including costs of acquisition and indirect expenses for labour, materials, components and supsuppliers up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of properties are recognised in cost over the construction period.

After the initial recognition land and buildings are measured at fair value.

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

NOTES TO THE FINANCIAL STATEMENT

The estimates applied are based on historical information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material. The assumptions applied are disclosed in the notes.

Depreciation based on cost reduced by land value is calculated on a straight-line basis over the expected useful life of the assets, which is 5 years.

As no information is available from an active market of similar land and buildings, it has not been possible with respect to a few properties to determine a reliable fair value and, consequently, the fair value has been determined at cost. These properties have been recognised at cost and are subject to the rules on impairment. An impairment test is carried out where there is any indication of the recoverable amount being lower than cost.

Other 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 added revaluations and reduced by any residual value is calculated on a straight- line basis over the expected useful lives of the assets, which are:

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

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 associates

Investments in associates are recognised and measured under the equity method.

The item "Investments in associates" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the associates.

Associates with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposits..

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.

NOTES TO THE
FINANCIAL STATEMENT

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.

Prepayments

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

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work.

Deferred tax assets and liabilities

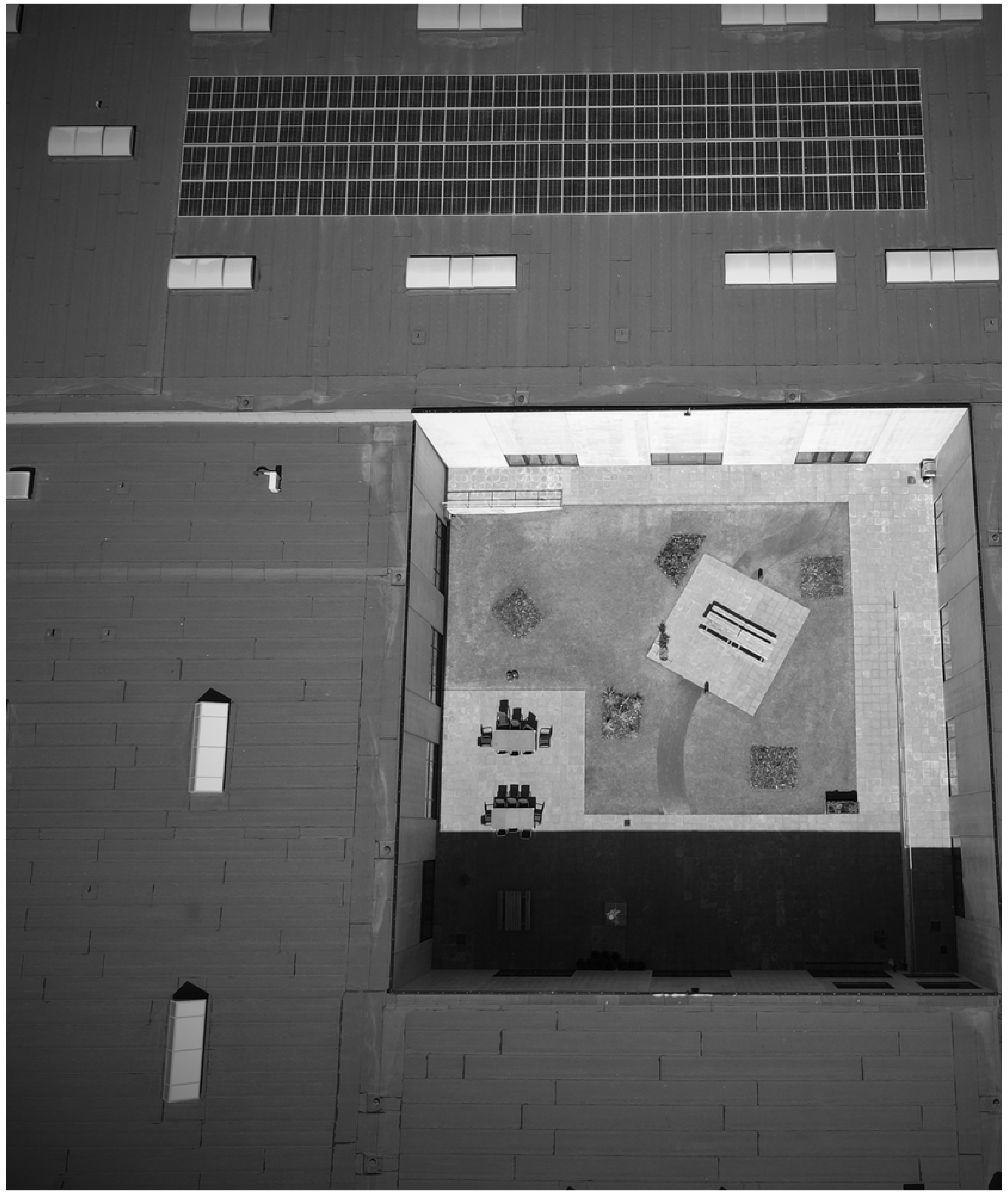
Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, 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 liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.



NOTES TO THE FINANCIAL STATEMENT

Financial debts

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.

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

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.

.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.

Financial Highlights

Explanation of financial ratios

Return on assets:
Profit before financials x 100 / Total assets at year end

Solvency ratio:
Equity at year end x 100 / Total assets at year end

Return on equity:
Net profit for the year x 100 / Average equity

INDEPENDENT AUDITOR'S REPORT

To the shareholder of Promovec Group A/S

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 30 June 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 July 2022 - 30 June 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Promovec Group A/S for the financial year 1 July 2022 - 30 June 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").

.

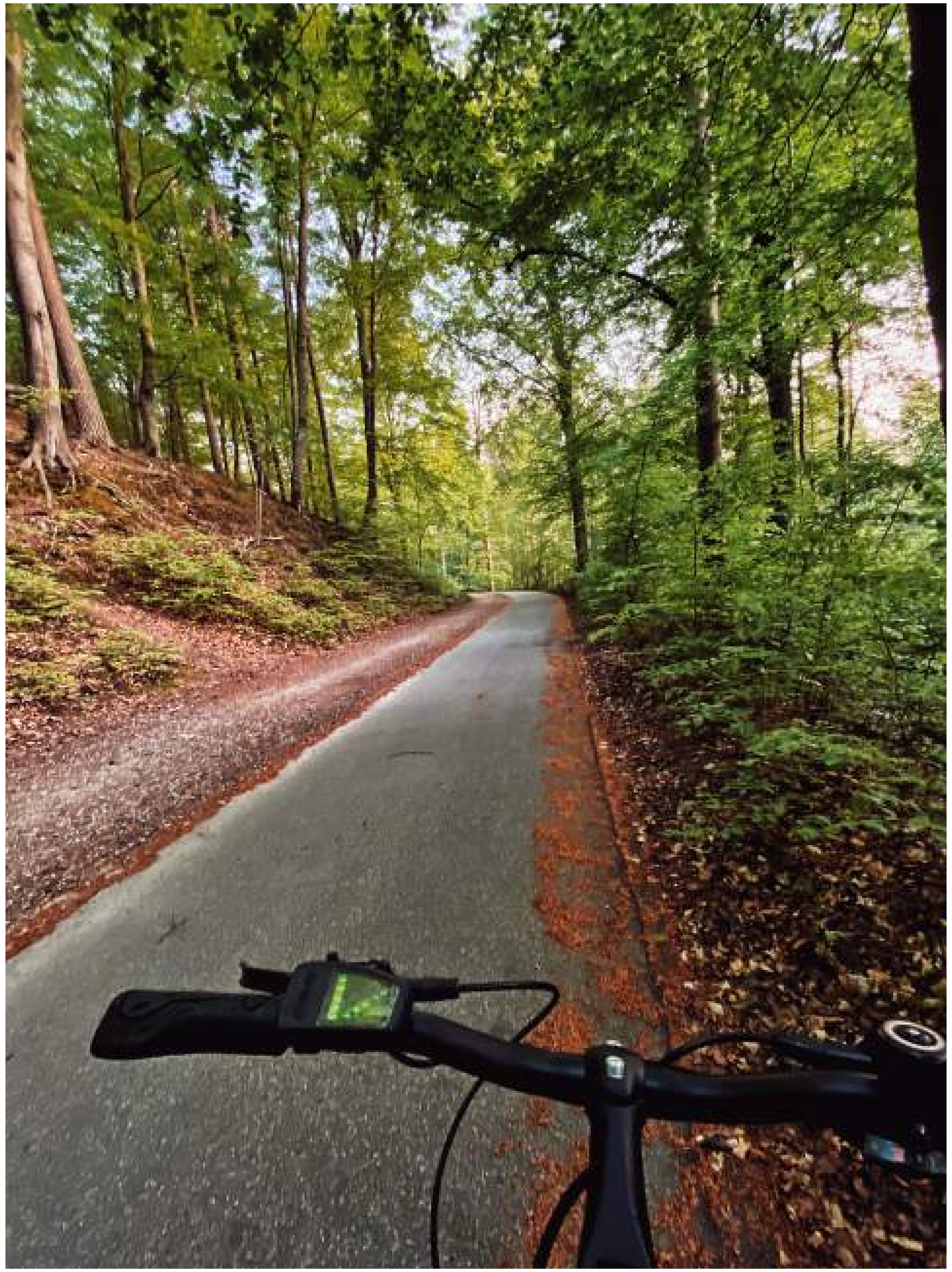
Basis for Opinion

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.



INDEPENDENT AUDITOR'S REPORT

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.

Esbjerg,
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Palle H. Jensen
State Authorised Public Accountant
mne32115