
Francis Automotive ApS

C/O Francis Family fund, Gl Hovedgade 1A, DK-2970
Hørsholm

Annual Report for 1 October 2023 - 30 September 2024

CVR No. 40 74 34 72

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 19/12 2024

Nicholas Peter Francis
Chairman of the
general meeting



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Management's statement

The Executive Board has today considered and adopted the Annual Report of Francis Automotive ApS for the financial year 1 October 2023 - 30 September 2024.

The Annual Report is prepared in accordance with the Danish Financial Statements Act. The Company complies with the exemption provisions governing the omission to have its Financial Statements audited.

In my opinion the Financial Statements give a true and fair view of the financial position at 30 September 2024 of the Company and of the results of the Company operations for 2023/24.

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

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

Hørsholm, 19 December 2024

Executive Board

Nicholas Peter Francis

Practitioner's Statement on Compilation of Financial Statements

To the Management of Francis Automotive ApS

We have compiled the Financial Statements of Francis Automotive ApS for the financial year 1 October 2023 - 30 September 2024 on the basis of the Company's accounting records and other information you have provided.

The Financial Statements comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies.

We performed our work in accordance with ISRS 4410, Engagements to Compile Financial Information.

Based on our professional expertise, we have assisted you with the preparation and presentation of the Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Act on Approved Auditors and Audit Firms and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), including the principles of integrity, objectivity, professional competence and due care.

The Financial Statements and the accuracy and completeness of the information forming the basis of the compilation of the Financial Statements are your responsibility.

As an engagement to compile financial information is not an assurance engagement, we are under no duty to verify the accuracy or completeness of the information you provided to us to compile the Financial Statements. Accordingly, we express no audit opinion or review opinion as to whether the Financial Statements have been prepared in accordance with the Danish Financial Statements Act.

Hellerup, 19 December 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Ulrik Ræbild

State Authorised Public Accountant

mne33262

Company information

The Company Francis Automotive ApS
C/O Francis Family fund
Gl Hovedgade 1A
DK-2970 Hørsholm
CVR No: 40 74 34 72
Financial period: 1 October 2023 - 30 September 2024
Incorporated: 27 August 2019
Financial year: 6th financial year
Municipality of reg. office: Hørsholm

Executive Board Nicholas Peter Francis

Auditors PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's review

Key activities

The company's purpose is to conduct business within trade, development and service within the automotive industry as well as related activities.

Development in the year

The income statement of the Company for 2023/24 shows a loss of DKK 2,132,753, and at 30 September 2024 the balance sheet of the Company shows a negative equity of DKK 2,370,088.

Capital resources

As stated in Note 1, the company's capital owners have issued a letter of financial support, in which the capital owners guarantee to make the necessary capital available to the company, so that the company can meet its obligations as they fall due. The letter of financial support from the capital owners is valid until the point in time where the annual report for Francis Automotive ApS for 2024/25 is approved by the general meeting and published.

Additionally, going concern is further secured through a letter of subordination provided by the capital owners, ensuring that their claims against the company will rank subordinate to the claims of other creditors.

On this basis, the management assesses that the company's capital availability is sufficient, which is why the annual accounts are presented on the assumption of continued operations.

Loss of share capital

The company has lost more than 50% of the company share capital and is therefore covered by the capital loss provisions in the Danish Companies Act. At the upcoming general meeting, the management will give an update of the financial situation and present how the share capital is expected to be re-established in the event of future positive earnings.

Subsequent events

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

Income statement 1 October 2023 - 30 September 2024

	Note	2023/24	2022/23
		DKK	DKK
Gross loss		-107,746	-255,498
Depreciation and impairment losses of property, plant and equipment		-2,005,068	-201,146
Profit/loss before financial income and expenses		-2,112,814	-456,644
Financial expenses	3	-104,167	-61,356
Profit/loss before tax		-2,216,981	-518,000
Tax on profit/loss for the year	4	84,228	113,898
Net profit/loss for the year		-2,132,753	-404,102
 Distribution of profit			
		2023/24	2022/23
		DKK	DKK
Proposed distribution of profit			
Retained earnings		-2,132,753	-404,102
		-2,132,753	-404,102

Balance sheet 30 September 2024

Assets

	Note	2023/24	2022/23
		DKK	DKK
Development projects in progress		0	1,811,053
Intangible assets	5	0	1,811,053
Other fixtures and fittings, tools and equipment		37,485	187,424
Leasehold improvements		14,693	58,769
Property, plant and equipment	6	52,178	246,193
Fixed assets		52,178	2,057,246
Other receivables		22,312	57,852
Receivables		22,312	57,852
Cash at bank and in hand		462,446	539,443
Current assets		484,758	597,295
Assets		536,936	2,654,541

Balance sheet 30 September 2024

Liabilities and equity

	Note	2023/24	2022/23
		DKK	DKK
Share capital		40,000	40,000
Reserve for development costs		0	1,412,621
Retained earnings		-2,410,088	-1,689,957
Equity		-2,370,088	-237,336
Provision for deferred tax		0	84,228
Provisions		0	84,228
Trade payables		13,500	53,500
Payables to group enterprises		2,663,728	2,567,364
Payables to associates		168,895	162,785
Other payables		60,901	24,000
Short-term debt		2,907,024	2,807,649
Debt		2,907,024	2,807,649
Liabilities and equity		536,936	2,654,541
Going concern	1		
Staff	2		
Contingent assets, liabilities and other financial obligations	7		
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Statement of changes in equity

	Share capital	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 October	40,000	1,412,622	-1,689,957	-237,335
Depreciation, amortisation and impairment for the year	0	-1,412,622	1,412,622	0
Net profit/loss for the year	0	0	-2,132,753	-2,132,753
Equity at 30 September	40,000	0	-2,410,088	-2,370,088

Notes to the Financial Statements

1. Going concern

The company's capital owners have issued a letter of financial support, guaranteeing to make the necessary capital available to the company to ensure that it can meet its obligations as they fall due. The letter of financial support from the capital owners is valid until the point in time where the annual report for Francis Automotive ApS for 2024/25 is approved by the general meeting and published.

Additionally, going concern is further secured through a letter of subordination provided by the capital owners, ensuring that their claims against the company will rank subordinate to the claims of other creditors.

On this basis, management assesses that the company's capital availability is sufficient, which is why the financial statements are presented on the assumption of continued operations.

2. Staff

Average number of employees

	<u>2023/24</u>	<u>2022/23</u>
	1	1

The management does not receive remuneration for the position in the company.

3. Financial expenses

Interest paid to group enterprises

Other financial expenses

	<u>2023/24</u>	<u>2022/23</u>
	DKK	DKK
	103,375	61,356
	792	0
	<u>104,167</u>	<u>61,356</u>

4. Income tax expense

Deferred tax for the year

	<u>2023/24</u>	<u>2022/23</u>
	DKK	DKK
	<u>-84,228</u>	<u>-113,898</u>
	<u>-84,228</u>	<u>-113,898</u>

Notes to the Financial Statements

5. Intangible fixed assets

	Develop- ment projects in progress
	DKK
Cost at 1 October	1,811,053
Cost at 30 September	1,811,053
Impairment losses and amortisation at 1 October	0
Impairment losses for the year	1,811,053
Impairment losses and amortisation at 30 September	1,811,053
Carrying amount at 30 September	0

Development projects relate to the development of a new car for later sale in the company's industry.

6. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improve- ments
	DKK	DKK
Cost at 1 October	749,695	220,382
Cost at 30 September	749,695	220,382
Impairment losses and depreciation at 1 October	562,271	161,613
Depreciation for the year	149,939	44,076
Impairment losses and depreciation at 30 September	712,210	205,689
Carrying amount at 30 September	37,485	14,693
Amortised over	3-5 years	3-5 years

Notes to the Financial Statements

7. Contingent assets, liabilities and other financial obligations

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 NPF Technologies 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.

8. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

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

<u>Name</u>	<u>Place of registered office</u>
NPF Technologies ApS	Hørsholm

Notes to the Financial Statements

9. Accounting policies

The Annual Report of Francis Automotive ApS for 2023/24 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023/24 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.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

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

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

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

Income statement

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Gross loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of other external expenses.

Amortisation, depreciation and impairment losses

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

Notes to the Financial Statements

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 changes in deferred tax for the year. The tax attributable to the profit for the 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 NPF Technologies ApS. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Capitalized development costs are measured at cost less accumulated depreciation and impairment losses or recoverable amount, whichever is lower.

Development costs can include salaries that can be directly or indirectly attributed to the company's development activity.

Development costs that are clearly defined and identifiable where the degree of technical utilization, sufficient resources and a potential future market or development opportunity in the company can be demonstrated, and where the intention to manufacture, market or use the project are recognized as intangible fixed assets, if sufficient assurance that the capital value of future earnings can cover production, sales and administration costs as well as development costs themselves. Development costs that do not meet the criteria for recognition in the balance sheet are recognized as costs in the income statement as the costs are incurred.

Capitalized development costs are depreciated from the time of completion on a straight-line basis over the period in which the development work is expected to generate economic benefits. However, the depreciation period is a maximum of 5 years.

An amount corresponding the capitalized development costs in the balance sheet is recognized in the "reserve for development costs" under equity. The reserve decreases in value as a result of depreciation and tax.

Property, plant and equipment

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

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

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

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

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

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

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.

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.

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.

Financial liabilities

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