

**Devron Nordic ApS**

**Langrode 36  
6200 Aabenraa**

**CVR no. 39 13 30 83**

**Annual report for 2022**

Adopted at the annual general meeting on 10 July 2023

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Per Rene Frederiksen  
chairman

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## **Statement by management on the annual report**

The executive board has today discussed and approved the annual report of Devron Nordic ApS for the financial year 1 January - 31 December 2022.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022.

In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Aabenraa, 6 July 2023

### **Executive board**

Per Rene Frederiksen

## **Independent auditor's report**

### ***To the shareholder of Devron Nordic ApS***

#### **Opinion**

We have audited the financial statements of Devron Nordic ApS for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's responsibilities for the financial statements**

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

## **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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

## **Independent auditor's report**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Statement on management's review**

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

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

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

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

Viborg, 6 July 2023

Andersen Revision  
Statsautoriseret Revisionsaktieselskab  
CVR no. 32 32 67 06

Hans Peter Andersen  
State Authorised Public Accountant  
MNE no. mne32181

## Company details

### The company

Devron Nordic ApS  
Langrode 36  
6200 Aabenraa

Telephone: 40527035

CVR no.: 39 13 30 83

Reporting period: 1 January - 31 December 2022

Domicile: Aabenraa

### Executive board

Per Rene Frederiksen

### Auditors

Andersen Revision  
Statsautoriseret Revisionsaktieselskab  
Vestervangsvej 14  
8800 Viborg

### Bankers

Danske Bank  
Gravene 2  
6100 Haderslev

## **Management's review**

### **Business review**

The company's main activity is to buy and sell products within the bicycle industry.

### **Recognition and measurement uncertainties**

The company has recognized a deferred tax asset of DKK 607 thousand. Recognition and measurement of this tax asset is based on management's assessment of the company's expected earnings within the next 1-5 years. In its assessment of the tax asset, the management has included estimates of earnings for the coming years. Following this, the management expect that the tax asset can be realized within 5 years. However, since the value of the deferred tax asset is based on expectations of future earnings, there is uncertainty about the value of the deffered tax asset.

### **Financial review**

The company's income statement for the year ended 31 December 2022 shows a loss of DKK 393.096, and the balance sheet at 31 December 2022 shows equity of DKK 470.901.

The company's main creditor is the parent company. The parent company has stated that it would abstain payment to maintain the required liquidity in the company.

### **Significant events occurring after the end of the financial year**

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

## Income statement 1 January 2022 - 31 December 2022

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> TDKK
<b>Gross profit</b>		<b>1.560.231</b>	<b>2.993</b>
Staff costs	1	<u>-1.738.921</u>	<u>-1.718</u>
<b>Resultat før af- og nedskrivninger</b>		<b>-178.690</b>	<b>1.275</b>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-305.160	-276
Other operating costs		<u>-11.464</u>	<u>0</u>
<b>Profit/loss before net financials</b>		<b>-495.314</b>	<b>999</b>
Financial income		113	0
Financial costs		<u>-8.642</u>	<u>-11</u>
<b>Profit/loss before tax</b>		<b>-503.843</b>	<b>988</b>
Tax on profit/loss for the year	2	<u>110.747</u>	<u>-225</u>
<b>Profit/loss for the year</b>		<b><u>-393.096</u></b>	<b><u>763</u></b>
 <b>Recommended appropriation of profit/loss</b>			
Retained earnings		<u>-393.096</u>	<u>763</u>
		<b><u>-393.096</u></b>	<b><u>763</u></b>

## Balance sheet at 31 December 2022

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> TDKK
<b>Assets</b>			
Goodwill		0	166
<b>Intangible assets</b>	3	<u>0</u>	<u>166</u>
Other fixtures and fittings, tools and equipment		456.103	312
Leasehold improvements		0	71
<b>Tangible assets</b>	4	<u>456.103</u>	<u>383</u>
<b>Total non-current assets</b>		<u>456.103</u>	<u>549</u>
Finished goods and goods for resale		5.159.823	3.780
<b>Stocks</b>		<u>5.159.823</u>	<u>3.780</u>
Trade receivables		9.806	27
Other receivables		942.538	973
Deferred tax asset		607.273	497
Prepayments		34.042	31
<b>Receivables</b>		<u>1.593.659</u>	<u>1.528</u>
<b>Cash at bank and in hand</b>		<u>270.325</u>	<u>352</u>
<b>Total current assets</b>		<u>7.023.807</u>	<u>5.660</u>
<b>Total assets</b>		<u><u>7.479.910</u></u>	<u><u>6.209</u></u>

## Balance sheet at 31 December 2022

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> TDKK
<b>Equity and liabilities</b>			
Share capital		1.000.000	1.000
Retained earnings		<u>-529.099</u>	<u>-136</u>
<b>Equity</b>		<b><u>470.901</u></b>	<b><u>864</u></b>
Trade payables		81.289	26
Payables to subsidiaries	5	6.127.466	4.395
Other payables		<u>800.254</u>	<u>924</u>
<b>Total current liabilities</b>		<b><u>7.009.009</u></b>	<b><u>5.345</u></b>
<b>Total liabilities</b>		<b><u>7.009.009</u></b>	<b><u>5.345</u></b>
<b>Total equity and liabilities</b>		<b><u>7.479.910</u></b>	<b><u>6.209</u></b>
Uncertainty in the recognition and measurement	6		
Contingent liabilities	7		

## Statement of changes in equity

	<u>Share capital</u>	<u>Retained ear- nings</u>	<u>Total</u>
Equity at 1 January 2022	1.000.000	-136.003	863.997
Net profit/loss for the year	0	-393.096	-393.096
<b>Equity at 31 December 2022</b>	<b><u>1.000.000</u></b>	<b><u>-529.099</u></b>	<b><u>470.901</u></b>

## Notes

	<u>2022</u> DKK	<u>2021</u> TDKK
<b>1 Staff costs</b>		
Wages and salaries	1.554.695	1.533
Pensions	147.438	151
Other social security costs	<u>36.788</u>	<u>34</u>
	<b><u>1.738.921</u></b>	<b><u>1.718</u></b>
Average number of employees	<u>4</u>	<u>4</u>
<b>2 Tax on profit/loss for the year</b>		
Deferred tax for the year	<u>-110.747</u>	<u>225</u>
	<b><u>-110.747</u></b>	<b><u>225</u></b>
<b>3 Intangible assets</b>		<u>Goodwill</u>
Cost at 1 January 2022		<u>830.000</u>
Cost at 31 December 2022		<u>830.000</u>
Impairment losses and amortisation at 1 January 2022		664.000
Amortisation for the year		<u>166.000</u>
Impairment losses and amortisation at 31 December 2022		<u>830.000</u>
<b>Carrying amount at 31 December 2022</b>		<b><u>0</u></b>

## Notes

### 4 Tangible assets

	Other fixtures and fittings, tools and equipment	Leasehold im- provements
Cost at 1 January 2022	369.705	356.420
Additions for the year	521.754	0
Disposals for the year	-382.000	0
Cost at 31 December 2022	<u>509.459</u>	<u>356.420</u>
Impairment losses and depreciation at 1 January 2022	57.016	285.136
Depreciation for the year	67.876	71.284
Reversal of impairment and depreciation of sold assets	-71.536	0
Impairment losses and depreciation at 31 December 2022	<u>53.356</u>	<u>356.420</u>
<b>Carrying amount at 31 December 2022</b>	<b><u>456.103</u></b>	<b><u>0</u></b>

### 5 Payables to parent company

The company's main creditor is the parent company. The parent company has stated that it would abstain payment to maintain the required liquidity in the company.

### 6 Uncertainty in the recognition and measurement

The company has recognized a deferred tax asset of DKK 607 thousand. Recognition and measurement of this tax asset is based on management's assessment of the company's expected earnings within the next 1-5 years. In its assessment of the tax asset, the management has included estimates of earnings for the coming years. Following this, the management expect that the tax asset can be realized within 5 years. However, since the value of the deferred tax asset is based on expectations of future earnings, there is uncertainty about the value of the deffered tax asset.

### 7 Contingent liabilities

The company has entered into operating lease of cars and vehicles. The lease agreements are interminable in 1 year. The total remaining lease obligation amounts to DKK 7 thousand.

## Notes

### 7 **Contingent liabilities (continued)**

The company has entered into agreements on lease of facilities in Esbjerg, Horup and Rødekro. The agreements are interminable in up to 21 months. Afterwards the term of notice is 6 months. The total remaining lease obligation amount to DKK 403 thousand.

## **Accounting policies**

The annual report of Devron Nordic ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2022 is presented in DKK

## **Income statement**

### **Gross profit**

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

### **Revenue**

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

### **Staff costs**

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

### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

### **Tax on profit/loss for the year**

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

## Accounting policies

### Balance sheet

#### Intangible assets

##### *Goodwill*

Acquired goodwill is measured at cost less accumulated amortisation and impairment losses. Goodwill is amortised on a straight-line basis over the amortisation period, which is 5 years. The amortisation period is based on an assessment of the acquiree's market position and earnings capacity.

#### Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0 %
Leasehold improvements	5 years	0 %

Assets costing less than DKK 31.000 are expensed in the year of acquisition.

#### Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price.

#### Receivables

Receivables are measured at amortised cost.

#### Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

## **Accounting policies**

### **Income tax and deferred tax**

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

### **Liabilities**

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.