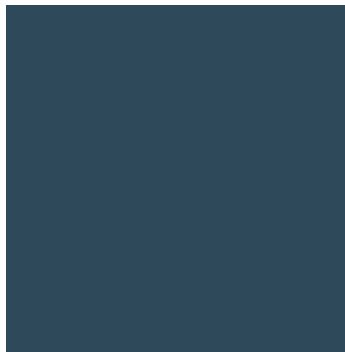
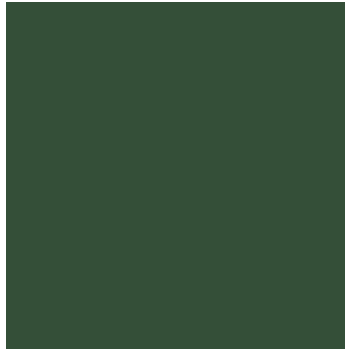


# Promovec Group A/S ANNUAL REPORT

1 JULY 2023 - 30 JUNE 2024



23 / 24

Penneo dokumentnøgle: ECEGB-BESJ-GRCTM-SXWFW-L-IEA-YBFIN

**Promovec**   
the e-bike solution

**BATRIBIKE**

AMERICA INC.  
**Promovec**   
the e-bike solution

**BIKEREP**  


**viridus**  
PURE > POWER

**Promovec Group A/S**  
Langdysse 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 on 14. November 2024

Brian Christensen  
Chairman of the general meeting

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# MANAGEMENTS REVIEW



Our new e-gravel with an invisible battery, small enough so be mistaken for an analogue bike.

# MANAGEMENTS STATEMENT



The Executive Board and Board of Directors have today considered and adopted the Annual Report of Promovec Group A/S for the financial year 1 July 2023 - 30 June 2024.

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 2024 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023/24.

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

We recommend that the Annual Report will be adopted at the Annual General Meeting.

Aarhus N, 14. November 2024

Executive Board:

Jesper Lundqvist - CEO

Board of Directors:

Gert Kristiansen - Chairman

Brian Christensen

Kurt Schlott Hansen

Camilla Deichmann

# COMPANY INFORMATION

## 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 2023- 30 June 2024

Incorporated: 25 January 2010  
Financial year: 15th financial year  
Municipality of reg. office: Aarhus

### BOARD OF DIRECTORS

Gert Kristiansen, Chairman  
Kurt Schlott Hansen  
Brian Christensen  
Camilla Deichmann

### EXECUTIVE BOARD

Jesper Lundqvist

### AUDITOR

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

### BANK

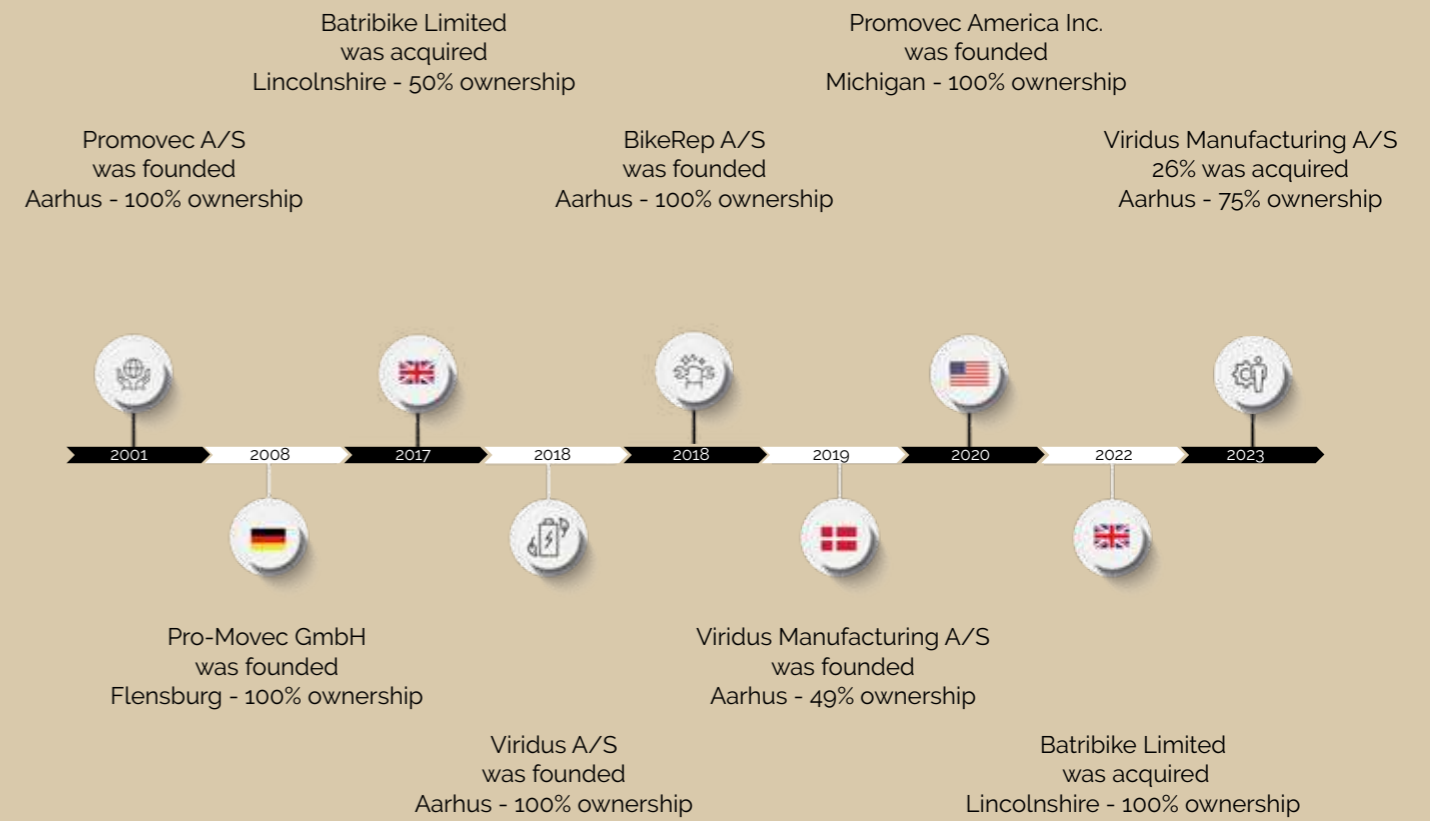
Skjern Bank  
Banktorvet 3  
6900 Skjern



The simplicity of our commuter bike with the battery hidden inside the frame and inserted from the crankbox speaks for itself.



# GROUP TIMELINE



# 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.



### Viridus A/S

Holding company.



### Promovec America Inc.

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



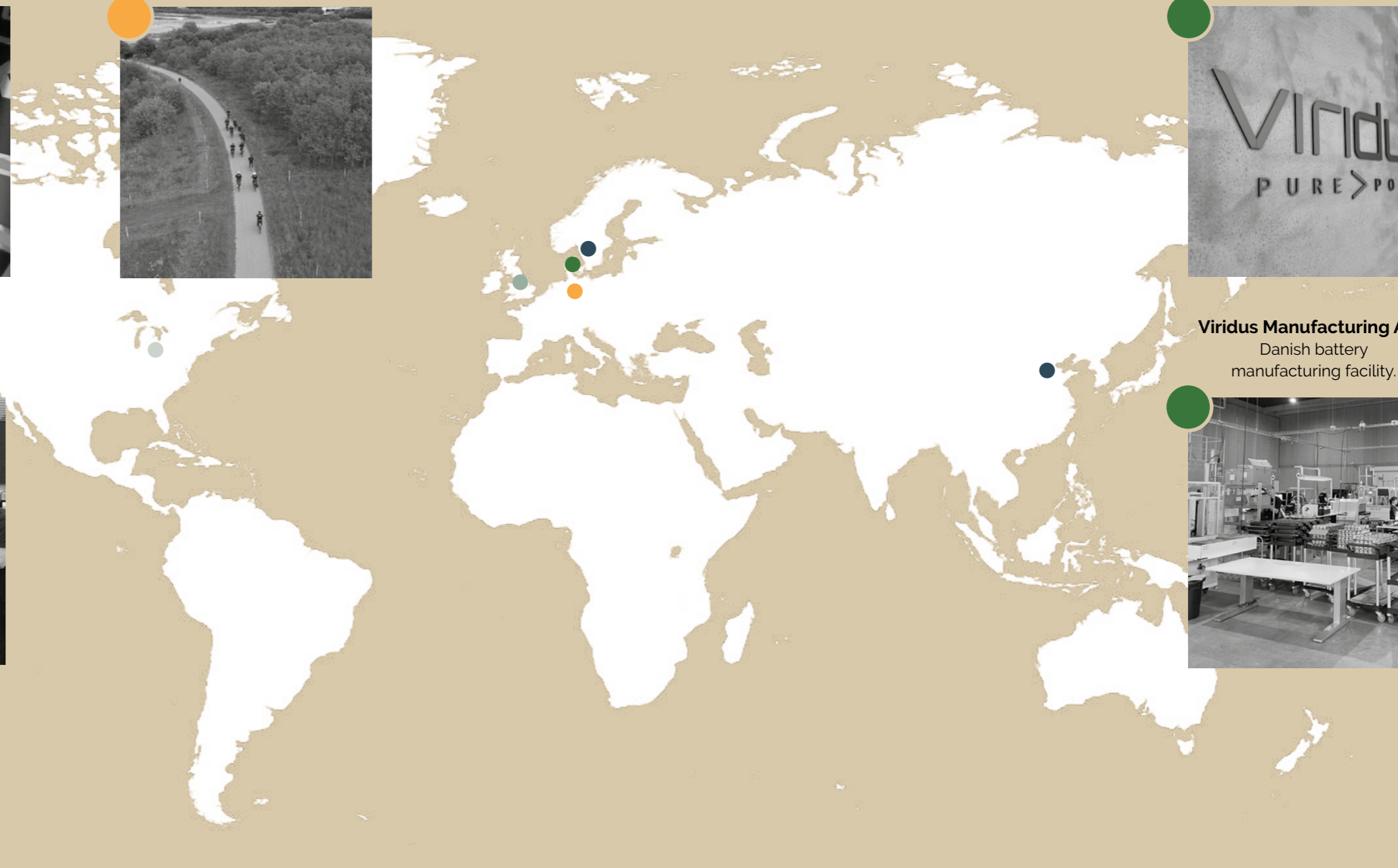
### BikeRep A/S

Aftersales service for end users.



### Viridus Manufacturing A/S

Danish battery manufacturing facility.



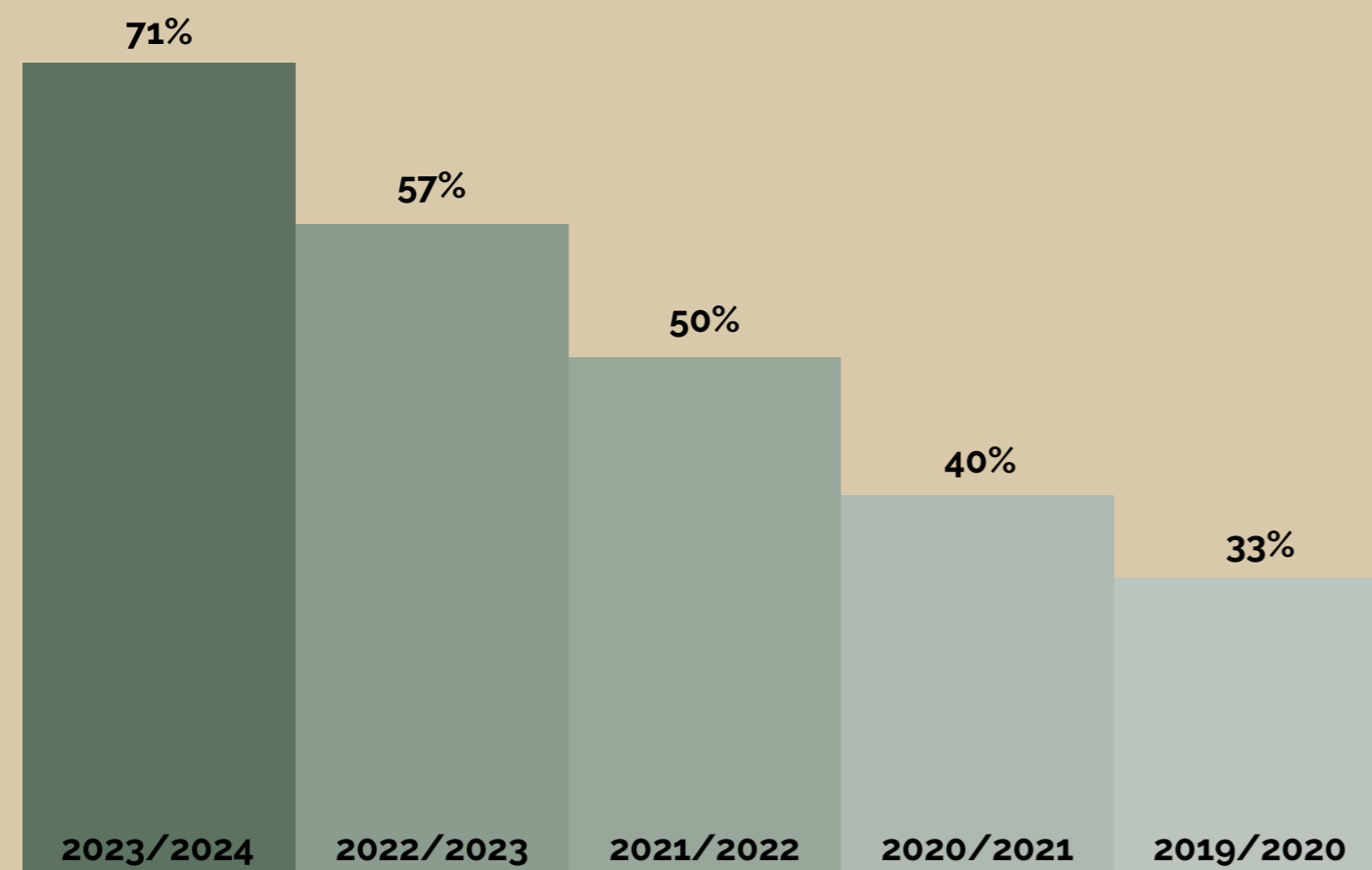
#### Offices:

China .....Hang Zhou  
Sweden .....Gothenburg

# FINANCIAL HIGHLIGHTS

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

## WOMEN IN MANAGEMENT



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

	Group				
	2023/24	2022/23	2021/22	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Profit/loss of primary operations	-11,327	25,357	23,787	33,049	8,501
Profit/loss of financial income and expenses	-2,564	-4,630	385	-10	-1,494
Net profit/loss for the year	-10,794	16,035	19,097	26,157	5,580
<b>Balance sheet</b>					
Balance sheet total	143,032	147,932	242,021	145,505	70,832
Investment in property, plant and equipment	611	9,943	50,289	15,667	441
Equity	68,703	79,496	61,413	45,315	21,158
<b>Cash flows</b>					
Cash flows from:					
- operating activities	-16,196	21,427	-3,108	-2,024	29,339
- investing activities	-6,026	60,646	-51,068	-19,624	-2,238
- financing activities	14,006	-75,381	54,782	21,385	-32,748
Change in cash and cash equivalents for the year	-8,216	6,692	606	-264	-5,647
Number of employees	84	82	63	64	54
<b>Ratios</b>					
Return on assets	-7.9%	17.1%	9.8%	22.7%	12.0%
Solvency ratio	48.0%	53.7%	25.4%	31.1%	29.9%
Return on equity	-14.6%	22.8%	35.8%	78.7%	29.0%

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



## Promovec A/S launch of new website

Featuring improved usability and layout with a strong focus on products.



## Close and direct cooperation

With direct contact to our business partners we provide better prices, delivery security, and fast reaction.



## Viridus Manufacturing A/S – a one-stop supplier

With inhouse R&D, mature sourcing, local production, and after sales service.



## Gold certificates obtained

Our headquarters has received a DGNB gold certificate, and we have gained a gold certificate as Bicycle-Friendly Workplace.



## Qarma tool introduced

Enhancing quality by improving processes and strengthening collaboration with suppliers.



## Batribike limited launch of new website

More visual site with the option for end consumers to order e-bikes directly from the website.



## Strong international presence

Through service facilities and business partners, we have a strong presence across the European market.



## New IT system implemented in Bikerep

A system designed to elevate our service, enabling faster, more efficient support tailored to your needs.



## Viridus Manufacturing A/S

Working towards factory approval to ensure we meet industry standards.



# MANAGEMENTS 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 2023/24 shows a loss of DKK 10,794,362, and on 30 June 2024 the balance sheet of the Group shows a total balance sheet of DKK 143,032,468 and a positive equity of DKK 68,703,149. The solvency ratio is 48,0%.

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

As expected, the difficult market situation continued throughout this year, and even though we had the strength to resist the uncertainties in the market, our result must be described as unsatisfactory.

This year, our focus has been on saving cost and trying to bring supplier prices back to normal conditions. We have gained price reductions, but due to lack of supply and riots in the red sea, we have experienced difficulties in getting goods on time and higher freight cost. In Promovec A/S we adjusted the organization in January to correspond to the weakening demand as we during the fall experienced postponements of orders and a slowdown in sales. In the UK, sales have also been standing still which has resulted in a difficult year in Batribike Limited. In Viridus Manufacturing A/S we have grown our customer base and invested in developments with these new customers, together with new product developments. This growth takes up resources and cost money, together with our focus on building up further production lines and optimizing on existing ones, but strategically we are on track in Viridus Manufacturing A/S.

## 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.

## Targets and expectations for the year ahead

Towards the summer, the market began to stir, and we had indications that the market where ready to start new things up again. We believe that these positive indications will continue in the coming year, and our past years focus on product developments should start to pay off. We therefore expect to have a profit between 0-5 mill. DKK in 24/25.

## Uncertainty relating to recognition and measurement

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

## Unusual events

The financial position on 30 June 2024 of the Group and the results of the activities and cash flows of the Group for the financial year for 2023/24 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 - and we strive to provide a wide range of e-bikes and e-bike systems to support and supply greener urbanization.

### Innovative drivetrain and e-mobility solutions

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, to meet our customers' demands in new and innovative ways.



## COMPANY HISTORY

### Promovec A/S start-up

Promovec A/S 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 A/S started to develop and manufacture e-bikes ourselves, and in 2008 we sold the first self-produced e-bike in Denmark.

As pioneers on the Danish market, our expertise 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 customized private label e-bike solutions, from design and development to production and delivery.

### Pro-Movec GmbH was established

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

### Viridus A/S established in Denmark

Promovec A/S is thinking green and is at the forefront of responsible production. Our focus on green mobility led to the opening of Viridus Manufacturing A/S in 2019 on Danish grounds. The factory produces customized high-quality battery packs for the e-mobility industry. Viridus Manufacturing A/S is focusing on intelligent technologies and green initiatives, striving towards a zero-emission production.

### Promovec America Inc. and Batribike Ltd. ownership

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

### DGNB-gold certification

In July 2022, we moved into our new headquarters. The building has reached 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 in the European market.

**At Promovec Group A/S, it is all about creating a sustainable mindset throughout our business.**



The Akita cargobike is a powerful, versatile e-bike for urban commutes and adventures, featuring advanced battery technology and seamless power assistance.



## VISION AND MISSION



### OUR VISION

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



### 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.

## 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.



Meet our newest addition to the cargo family  
"Modern Wood Cargo"  
Developed, sourced, and produced in Europe.



**RESPONSIBILITY**

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# WORKING AT PROMOVEC GROUP

## 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.

Our headquarters offers 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.

We are focused on social responsibility and contribute to diversity by hiring people with all kinds of life situations: student workers, flex time employees, internships for students and unemployed.

## Bicycle-friendly workplace

We encourage our employees to bike to work, and every year, we participate in the "We Bike to Work" campaign arranged by the Danish Cyclists' Association.

Due to our bike-friendly facilities, such as changing rooms, bike charging stations, bike wash, and available service workshops, we have obtained a gold certification as a bike-friendly workplace by the Danish Cyclists' Association.



# DGNB HEADQUARTERS

## DGNB gold certified building

Our headquarters is awarded a gold DGNB certificate for our focus on sustainability and recyclability.

DGNB is based on the UN's sustainability definition. 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 gold certification, e.g., wastewater recycling system, biodiversity gardens, CO<sub>2</sub> 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
- Troldekt ceiling and troldekt panels
- Double isolation in flooring and roof
- Acoustic pictures on walls
- Acoustic furniture
- Calculation of incoming sunlight
- Automated shades
- More space per employee
- Solar and wind energy



Solar and wind energy

# CARBON FOOTPRINT

## 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 which makes us a relevant player in developing responsible batteries.



*"Our battery production is supplied by 100% renewable energy"*

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 sourcing

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

We focus on finding more sustainable suppliers closer to our home market, within aluminum production, lithium-ion cells production, packaging materials, etc.

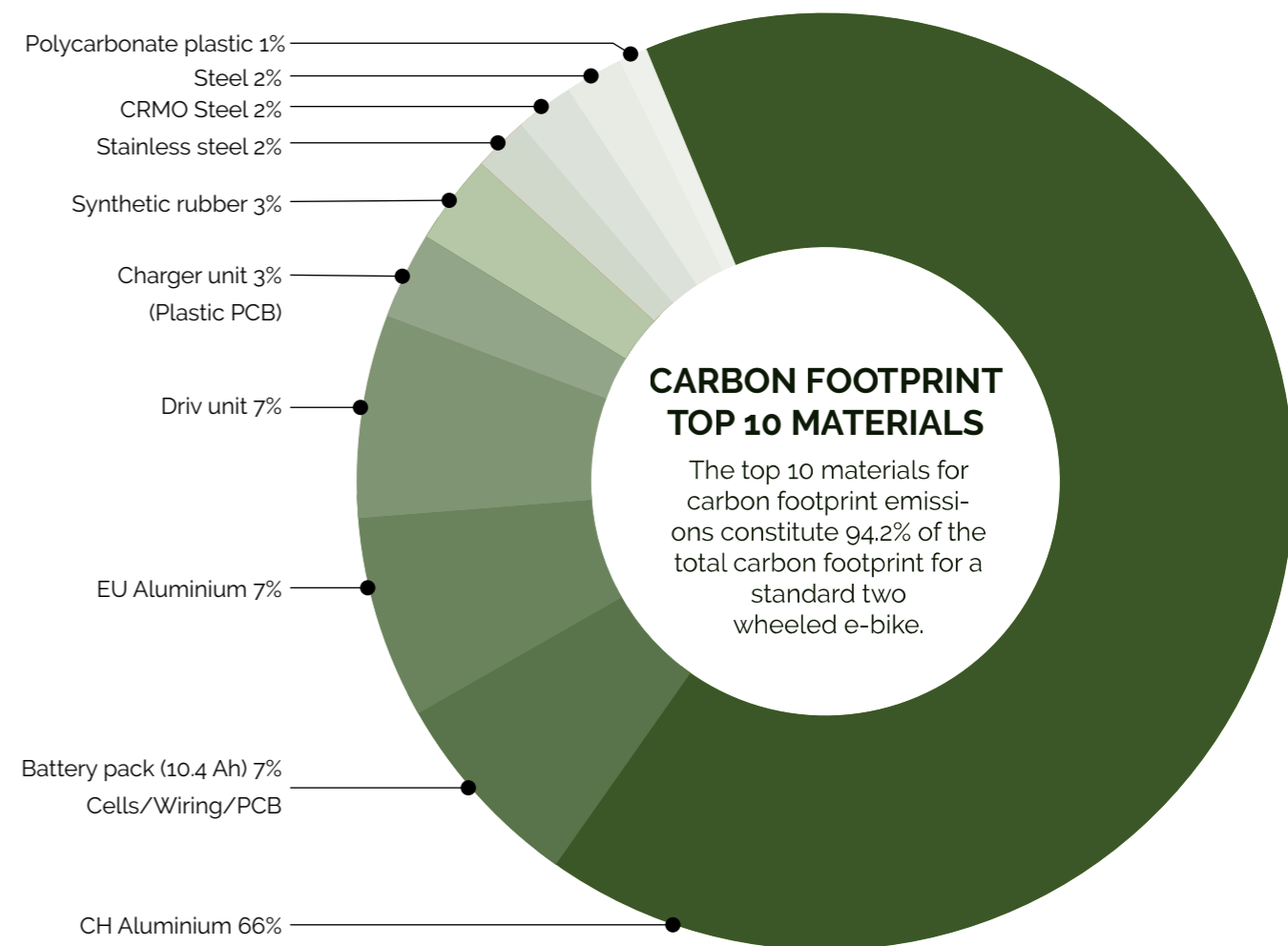


In this pursuit, we have identified suppliers who have challenged our previous methods, and through this collaboration we have achieved suppliers who offers enhanced components while allowing us to maintain our price standards without compromise. That's what we call a win-win situation for both the consumer and the world.

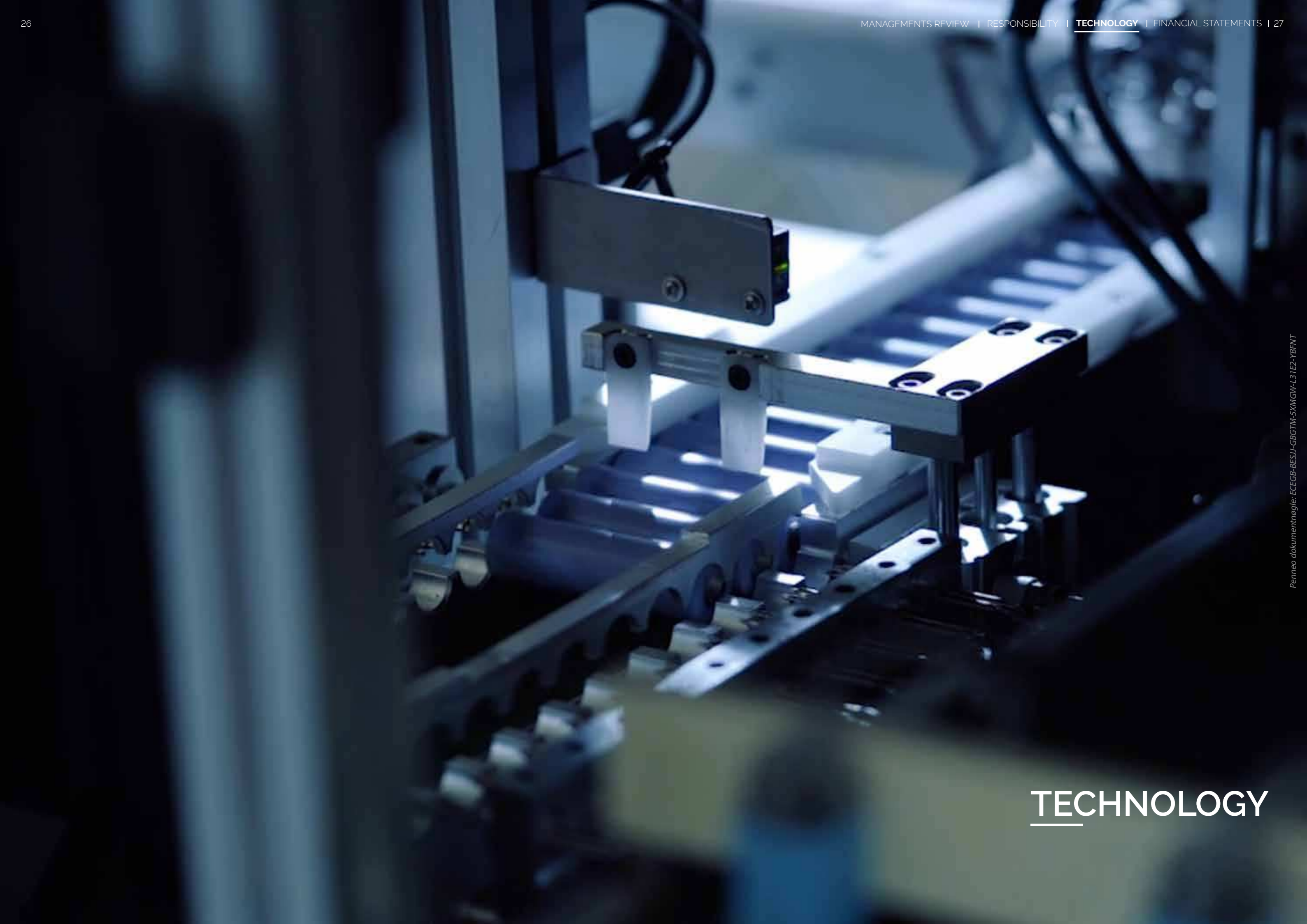
*"We wish to contribute positively to the sustainable transition by motivating the use of e-bikes and integrating greener practices throughout our supply chain. We continuously work on reducing our carbon footprint by having local battery production, by sourcing materials from local suppliers with lower CO2 footprint, by increasing our inhouse resource-use efficiency and much more. In other words, we are thinking green in all aspects of our business"*

Jesper Lundqvist, CEO

## 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.*



Penneo dokumentnøgle: ECEGB-BESJJ-GBGTM-5XMGW-L31E2-YBFNT

# TECHNOLOGY

# PRODUCT HIGHLIGHTS 2023-2024

## Invisible battery e-bike solutions

New gravel and citybike platforms has been introduced and displayed at fairs in US and Europe.



## IT3 and IT 4

New concepts and frames has been developed to fit our new batteries IT3 and IT4.



## Stem display

The latest display solution. The graphic display D400 is integrated into the stem.



## Cargobike lineup updated

New additions to the cargo family are Flex, Flex longtail, and Modern wood.



## Customized batteries

For clients in Europe we have developed new battery solutions in Viridus Manufacturing A/S for e-bikes and automated solutions.

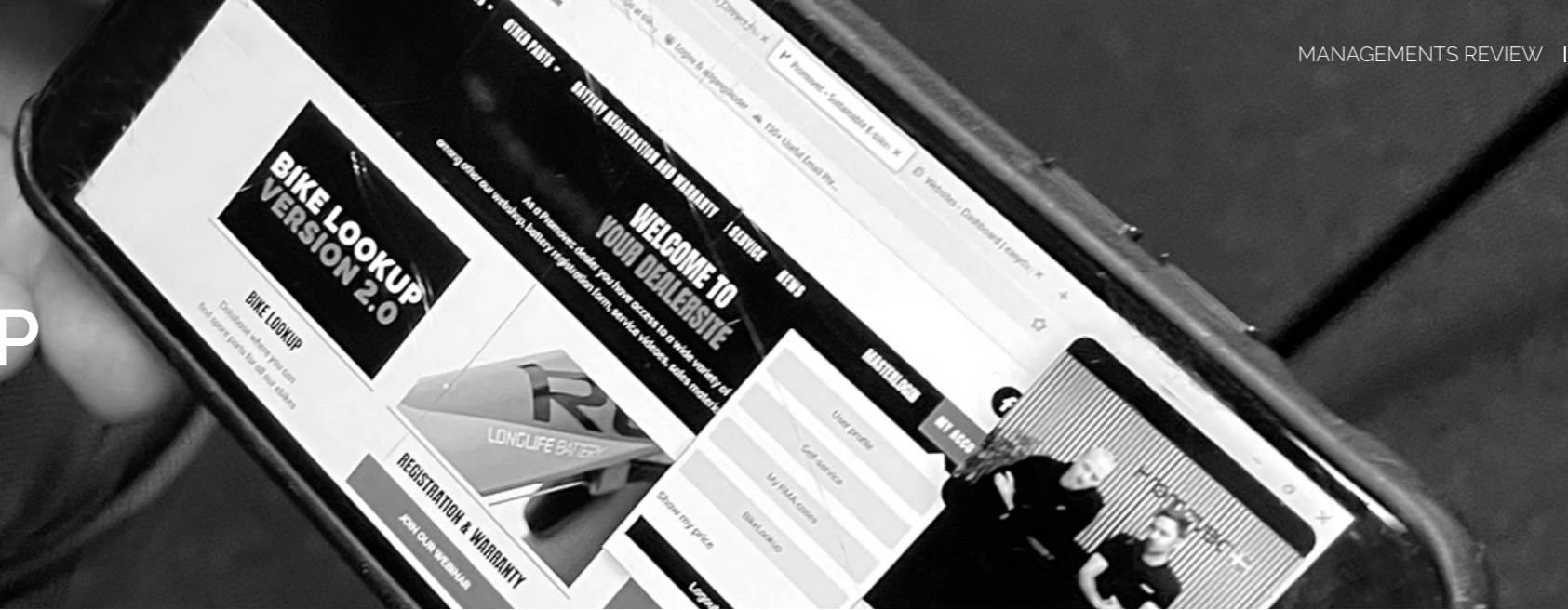
## E-connect App launch

E-connect was launched and works together with a wide selection of displays.

Bluetooth integration in the display is required.



# OUR SERVICE SETUP



### International service setup

We have 7 service facilities located across Europe and North America that provide support to 1500 dealers by offering spare parts and service assistance in their local language. This way, we are able to offer faster and more accurate service that ensures everything, from routine check-ups to complex repairs, is professionally taken care of.

### Online help and support

To help our dealers, we have made significant online solutions on our dealer site, containing information on all e-bikes produced. Our online service actions include videos, manuals, webinars, and an online complaint system.

### Dealer hotline and direct service

We seek individual solutions and approaches in our service assistance, as few customers face the same challenges. Our skilled service team is educated in e-bike mechanics and is available via e-mail and phone. They solve all kinds of complications our customers might face and thoroughly guide them through to a solution. If problems can't be solved via e-mail or phone, we will pay our customers a visit.



*Strong European service setup*



*Hotline for our dealers*



*Online help & communication*

# TESTING AND QUALITY

## Customized solutions

Our developers are skilled in their craft, turning your needs into high-quality concepts and applications. We ensure that your products are future-proof using the latest technologies and best practices.

Newly developed software and hardware are tested in our lab. Furthermore, our developers mount the hardware on a test e-bike and ride the bike to ensure functionality, test user experience, and solve potential bugs.

We are active in international forums working on influencing future standards and legislations within the industry, which means that we are at the forefront of the latest knowledge within our field and can adapt our technological developments accordingly.



**100%**  
Inhouse development  
and expertise



**20 YEARS**  
More than 20 years  
of experience



Penneo dokumentnagel: ECEGB-BESJJ-GBGTM-5XMGW-L3TE2-YBFNT

“Our many years of experience and close collaboration with our customers and suppliers have given us a unique technical know-how in developing new products..”

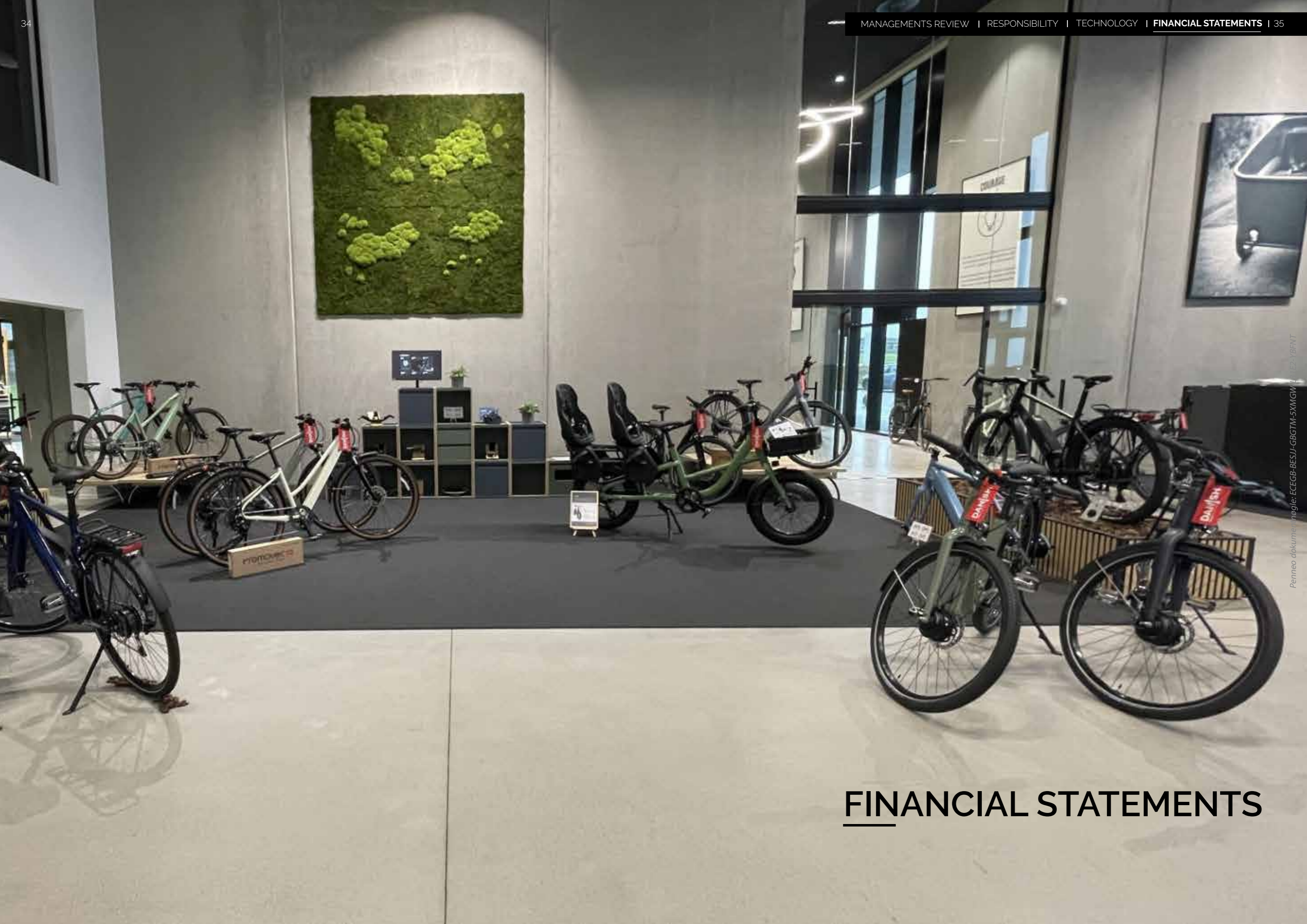
**Thomas Hansen**  
Technical Electronic Manager

## Quality at its best

Our quality department regularly performs tests on both complete e-bikes and individual components. This includes water tests, heating tests, and cooling tests. Our suppliers also make random sample tests in their production.

Furthermore, our products are tested at third-party institutes to ensure we meet current standards and legislation. All this is done to ensure high-quality products.

Our market friendly rear wheel system of high quality for every need.



Penneo dokument: nogje: ECEGB-BESJJ-GBGTM-SXMGW | FEB-YBNT

# FINANCIAL STATEMENTS

The Flex is our new utility bike. A powerful rear hub motor with large volume makes the Flex great for urban environments and it oozes coolness.



1 July 2023 - 30 June 2024

## INCOME STATEMENT

	Note	Group		Parent company	
		2023/24 DKK	2022/23 DKK	2023/24 DKK	2022/23 DKK
<b>Gross profit</b>		<b>33,047,872</b>	<b>67,557,608</b>	<b>-230,465</b>	<b>-198,330</b>
Staff expenses	2	-39,764,517	-37,247,123	0	0
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-4,609,861	-4,876,773	0	0
Other operating expenses		0	-77,190	0	0
<b>Profit/loss before financial income and expenses</b>		<b>-11,326,506</b>	<b>25,356,522</b>	<b>-230,465</b>	<b>-198,330</b>
Income from investments in subsidiaries		0	0	-11,085,242	16,165,392
Income from investments in associates		0	354,513	0	0
Financial income	4	437,629	75,505	1,437,201	356,634
Financial expenses	5	-3,002,050	-5,059,758	0	-173,696
<b>Profit/loss before tax</b>		<b>-13,890,927</b>	<b>20,726,782</b>	<b>-9,878,506</b>	<b>16,150,000</b>
Tax on profit/loss for the year	6	3,096,565	-4,692,134	-279,554	-15,444
<b>Net profit/loss for the year</b>	7	<b>-10,794,362</b>	<b>16,034,648</b>	<b>-10,158,060</b>	<b>16,134,556</b>

30 June 2024

# BALANCE SHEET

## Assets

	Note	Group		Parent company	
		2023/24 DKK	2022/23 DKK	2023/24 DKK	2022/23 DKK
Completed development projects		4,713,077	4,111,046	0	0
Goodwill		2,304,110	2,592,417	0	0
Development projects in progress		7,864,848	4,478,127	0	0
<b>Intangible assets</b>	8	<b>14,882,035</b>	<b>11,181,590</b>	<b>0</b>	<b>0</b>
Land and buildings		3,198,800	3,198,800	3,198,800	0
Plant and machinery		0	0	0	0
Other fixtures and fittings, tools and equipment		4,788,302	6,912,613	0	0
Leasehold improvements		607,608	763,958	0	0
Property, plant and equipment in progress		0	0	0	0
<b>Property, plant and equipment</b>	9	<b>8,594,710</b>	<b>10,875,371</b>	<b>3,198,800</b>	<b>0</b>
Investments in subsidiaries	10	0	0	42,360,938	67,562,083
Investments in associates	11	0	0	0	0
Other receivables	12	85,675	89,038	0	0
<b>Fixed asset investments</b>		<b>85,675</b>	<b>89,038</b>	<b>42,360,938</b>	<b>67,562,083</b>
<b>Fixed assets</b>		<b>23,562,420</b>	<b>22,145,999</b>	<b>45,559,738</b>	<b>67,562,083</b>
<b>Inventories</b>	13	<b>68,810,830</b>	<b>69,180,940</b>	<b>0</b>	<b>0</b>
Trade receivables		41,676,793	39,194,795	0	0
Receivables from group enterprises		1,904,067	1,516,000	26,513,962	16,511,817
Other receivables		611,537	2,891,447	0	0
Deferred tax asset	14	336,236	0	0	0
Corporation tax receivable from group enterprises		1,147,643	0	0	82,767
Prepayments	15	4,637,306	4,441,376	0	0
<b>Receivables</b>		<b>50,313,582</b>	<b>48,043,618</b>	<b>26,513,962</b>	<b>16,594,584</b>
Cash at bank and in hand		345,636	8,561,882	483	7
<b>Current assets</b>		<b>119,470,048</b>	<b>125,786,440</b>	<b>26,514,445</b>	<b>16,594,591</b>
<b>Assets</b>		<b>143,032,468</b>	<b>147,932,439</b>	<b>72,074,183</b>	<b>84,156,674</b>

30 June 2024

# BALANCE SHEET

## Liabilities and equity

	Note	Group		Parent company	
		2023/24 DKK	2022/23 DKK	2023/24 DKK	2022/23 DKK
Share capital		746,401	746,401	746,401	746,401
Reserve for net revaluation under the equity method		0	0	36,247,860	61,833,859
Reserve for development costs		9,810,781	6,699,555	0	0
Retained earnings		56,321,565	70,089,022	29,884,486	14,954,718
Proposed dividend for the year		500,000	0	500,000	0
<b>Equity attributable to shareholders of the Parent Company</b>		<b>67,378,747</b>	<b>77,534,978</b>	<b>67,378,747</b>	<b>77,534,978</b>
Minority interests		1,324,402	1,960,704	0	0
<b>Equity</b>		<b>68,703,149</b>	<b>79,495,682</b>	<b>67,378,747</b>	<b>77,534,978</b>
Provision for deferred tax	14	0	1,632,702	0	0
Other provisions	16	2,346,417	3,223,596	0	0
<b>Provisions</b>		<b>2,346,417</b>	<b>4,856,298</b>	<b>0</b>	<b>0</b>
Payables to group enterprises relating to corporation tax		0	6,332,040	279,554	15,444
Other payables		2,065,412	2,175,175	0	0
<b>Long-term debt</b>	17	<b>2,065,412</b>	<b>8,507,215</b>	<b>279,554</b>	<b>15,444</b>
Credit institutions		41,961,747	27,846,348	0	0
Prepayments received from customers		209,041	170,419	0	0
Trade payables		16,360,202	14,328,435	0	0
Payables to group enterprises		0	0	0	6,596,252
Payables to group enterprises relating to corporation tax		5,395,882	3,776,260	4,363,959	0
Other payables	17	5,990,618	8,951,782	51,923	10,000
<b>Short-term debt</b>		<b>69,917,490</b>	<b>55,073,244</b>	<b>4,415,882</b>	<b>6,606,252</b>
<b>Debt</b>		<b>71,982,902</b>	<b>63,580,459</b>	<b>4,695,436</b>	<b>6,621,696</b>
<b>Liabilities and equity</b>		<b>143,032,468</b>	<b>147,932,439</b>	<b>72,074,183</b>	<b>84,156,674</b>

The Akita cargobike is a powerful, versatile e-bike for urban commutes and adventures, featuring advanced battery technology and seamless power assistance.



30 June 2024

# BALANCE SHEET

## Liabilities and equity

	Note	Group		Parent company	
		2023/24 DKK	2022/23 DKK	2023/24 DKK	2022/23 DKK
Contingent assets, liabilities and other financial obligations	21				
Related parties	22				
Subsequent events	23				
Accounting Policies	24				

# STATEMENT OF CHANGES IN EQUITY

## Group

	Share capital	Reserve for development costs	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 July	746,401	6,699,555	70,089,022	0	77,534,978	1,960,704	79,495,682
Exchange adjustments	0	0	1,829	0	1,829	0	1,829
Development costs for the year	0	4,083,577	-4,083,577	0	0	0	0
Depreciation, amortisation and impairment for the year	0	-972,351	972,351	0	0	0	0
Net profit/loss for the year	0	0	-10,658,060	500,000	-10,158,060	-636,302	-10,794,362
<b>Equity at 30 June</b>	<b>746,401</b>	<b>9,810,781</b>	<b>56,321,565</b>	<b>500,000</b>	<b>67,378,747</b>	<b>1,324,402</b>	<b>68,703,149</b>

## Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 July	746,401	61,833,859	14,954,718	0	77,534,978
Exchange adjustments	0	1,829	0	0	1,829
Net profit/loss for the year	0	-25,587,828	14,929,768	500,000	-10,158,060
<b>Equity at 30 June</b>	<b>746,401</b>	<b>36,247,860</b>	<b>29,884,486</b>	<b>500,000</b>	<b>67,378,747</b>

Our thru axle e-bike motor. Enjoy superior stability with a secure thru axle connection and powerful, efficient performance for smooth and effortless ride.



1 July 2023 - 30 June 2024

## CASH FLOW STATEMENT

Note	Group	
	2023/24	2022/23
	DKK	DKK
Result of the year	-10,794,362	16,034,648
Adjustments	18 4,079,546	363,688
Change in working capital	19 -2,220,043	16,578,896
<b>Cash flow from operations before financial items</b>	<b>-8,934,859</b>	<b>32,977,232</b>
Financial income	437,629	75,505
Financial expenses	-2,965,936	-5,059,370
<b>Cash flows from ordinary activities</b>	<b>-11,463,166</b>	<b>27,993,367</b>
Corporation tax paid	-4,732,434	-6,566,801
<b>Cash flows from operating activities</b>	<b>-16,195,600</b>	<b>21,426,566</b>
Purchase of intangible assets	-5,235,686	-2,962,772
Purchase of property, plant and equipment	-793,959	-9,900,035
Fixed asset investments made etc	3,363	0
Sale of property, plant and equipment	0	77,928,752
Business acquisition	20 0	-4,419,832
<b>Cash flows from investing activities</b>	<b>-6,026,282</b>	<b>60,646,113</b>
Repayment of mortgage loans	0	-31,683,418
Repayment of loans from credit institutions	0	-44,038,212
Repayment of other long-term debt	-109,763	0
Raising of loans from credit institutions	14,115,399	0
Raising of other long-term debt	0	340,308
<b>Cash flows from financing activities</b>	<b>14,005,636</b>	<b>-75,381,322</b>
<b>Change in cash and cash equivalents</b>	<b>-8,216,246</b>	<b>6,691,357</b>
Cash and cash equivalents at 1 July	8,561,882	1,870,525
<b>Cash and cash equivalents at 30 June</b>	<b>345,636</b>	<b>8,561,882</b>
Cash and cash equivalents are specified as follows:		
Cash at bank and in hand	345,636	8,561,882
<b>Cash and cash equivalents at 30 June</b>	<b>345,636</b>	<b>8,561,882</b>

Notes to the

# FINANCIAL STATEMENT

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
<b>1. Other operating income</b>				
Profit on sale of property	0	13,900,049	0	0
Wage reimbursement etc.	1,319,468	420,686	0	0
Compensation regarding fire	0	1,436,521	0	0
Exchange adjustments repayment mortgage loans	0	4,953,403	0	0
	<b>1,319,468</b>	<b>20,710,659</b>	<b>0</b>	<b>0</b>
	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
<b>2. Staff Expenses</b>				
Wages and salaries	33,137,020	31,626,905	0	0
Pensions	4,365,925	3,940,753	0	0
Other social security expenses	406,763	300,774	0	0
Other staff expenses	1,854,809	1,378,691	0	0
	<b>39,764,517</b>	<b>37,247,123</b>	<b>0</b>	<b>0</b>
Including remuneration to the Executive Board and Board of Directors	<b>3,045,004</b>	<b>2,406,256</b>	<b>0</b>	<b>0</b>
Average number of employees	<b>84</b>	<b>82</b>	<b>0</b>	<b>0</b>

Notes to the

# FINANCIAL STATEMENT

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
<b>3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment</b>				
Amortisation of intangible assets	1,535,241	1,246,381	0	0
Depreciation of property, plant and equipment	3,074,620	3,630,392	0	0
	<b>4,609,861</b>	<b>4,876,773</b>	<b>0</b>	<b>0</b>
Which is specified as follows:				
Amortisation - Completed development projects	1,252,725	1,035,300	0	0
Amortisation - Goodwill	282,516	211,081	0	0
Depreciation - Leasehold improvements	213,542	186,710	0	0
Depreciation - Buildings	0	643,934	0	0
Depreciation - Other fixtures and fittings, tools and equipment	2,679,822	2,364,546	0	0
Depreciation - Minor acquisitions	181,256	435,202	0	0
	<b>4,609,861</b>	<b>4,876,773</b>	<b>0</b>	<b>0</b>
	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
<b>4. Financial income</b>				
Interest received from group enterprises	0	0	1,437,201	356,634
Other financial income	384,273	0	0	0
Exchange adjustments	53,356	75,505	0	0
	<b>437,629</b>	<b>75,505</b>	<b>1,437,201</b>	<b>356,634</b>

Notes to the

# FINANCIAL STATEMENT

## 5. Financial expenses

	Group		Parent company	
	2023/24 DKK	2022/23 DKK	2023/24 DKK	2022/23 DKK
Interest paid to group enterprises	0	0	0	173,696
Interest paid to associates	30,767	0	0	0
Other financial expenses	2,971,283	5,052,758	0	0
Exchange loss	0	7,000	0	0
	<b>3,002,050</b>	<b>5,059,758</b>	<b>0</b>	<b>173,696</b>

## 6. Income tax expense

	Group		Parent company	
	2023/24 DKK	2022/23 DKK	2023/24 DKK	2022/23 DKK
Current tax for the year	-1,142,391	5,431,042	279,554	15,444
Deferred tax for the year	-1,969,119	-739,096	0	0
Adjustment of tax concerning previous years	14,945	188	0	0
	<b>-3,096,565</b>	<b>4,692,134</b>	<b>279,554</b>	<b>15,444</b>

## 7. Profit allocation

	Group		Parent company	
	2023/24 DKK	2022/23 DKK	2023/24 DKK	2022/23 DKK
Proposed dividend for the year	500,000	0	500,000	0
Reserve for net revaluation under the equity method	0	0	-25,587,828	5,665,391
Minority interests' share of net profit/loss of subsidiaries	-636,302	-99,908	0	0
Retained earnings	-10,658,060	16,134,556	14,929,768	10,469,165
	<b>-10,794,362</b>	<b>16,034,648</b>	<b>-10,158,060</b>	<b>16,134,556</b>

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	18,537,618	2,806,529	4,478,127
Exchange adjustment	0	470	0
Additions for the year	0	0	5,235,356
Transfers for the year	1,848,635	0	-1,848,635
Cost at 30 June	<b>20,386,253</b>	<b>2,806,999</b>	<b>7,864,848</b>
Impairment losses and amortisation at 1 July	14,426,572	214,112	0
Exchange adjustment	0	140	0
Amortisation for the year	1,246,604	288,637	0
Impairment losses and amortisation at 30 June	<b>15,673,176</b>	<b>502,889</b>	<b>0</b>
Carrying amount at 30 June	<b>4,713,077</b>	<b>2,304,110</b>	<b>7,864,848</b>

### Promovec A/S

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.

The uncertainties we saw in the market in 2022/23 with the war in Ukraine, a saturated market, lack of purchasing power, and large stocks with our customers continued in 2023/24. As a result, our development projects have been extended one year and no projects have therefore been finalized in 2023/24, but several projects are very close to being finalized. The entire industry has been under pressure and many customers postponed or stopped their projects. For us, however, it was a strategic choice to continue our product development to be ready with an adequate product program that we can adapt to the individual customer's brand and/or market. Therefore, we have had seven new projects starting up in 2023/24 which is already quite far in the development. All together, we are working on seventeen projects, and the expectations is to close quite a few of these the coming year.

### Viridus Manufacturing A/S

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 23/24 we finished two projects and started up five new ones.

Since 2019, Viridus Manufacturing A/S has built up experience in assembling Li-Ion batteries for electric bicycles for Promovec. However, we want to expand the customer base and develop additional battery products, which must be done through customer projects. Therefore, in addition to Promovec battery projects and our Cowboy battery projects, this year we have gained new customers in branches other than micro-mobility, while at the same time our electric bike battery projects have given rise to necessary development due to both new regulations, but also new wishes and demands from our customers. This year we have also worked with an overall strategy for Viridus, which our development projects are a large part of.

## Notes to the

# FINANCIAL STATEMENT

## 9. Property, plant and equipment

	Group				Parent company
	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Land and buildings
	DKK	DKK	DKK	DKK	DKK
Cost at 1 July	3,198,800	16,673	12,914,177	1,053,090	0
Exchange adjustment	0	6	4,052	0	0
Net effect from merger and acquisition	0	0	0	0	3,198,800
Additions for the year	0	0	553,996	57,193	0
Cost at 30 June	3,198,800	16,679	13,472,225	1,110,283	3,198,800
Impairment losses and depreciation at 1 July	0	16,673	6,001,564	289,132	0
Exchange adjustment	0	6	2,539	0	0
Depreciation for the year	0	0	2,679,820	213,543	0
Impairment losses and depreciation at 30 June	0	16,679	8,683,923	502,675	0
<b>Carrying amount at 30 June</b>	<b>3,198,800</b>	<b>0</b>	<b>4,788,302</b>	<b>607,608</b>	<b>3,198,800</b>

## Notes to the

# FINANCIAL STATEMENT

## 10. Investments in subsidiaries

	Parent company	
	2023/24 DKK	2022/23 DKK
Cost at 1 July	5,728,224	4,040,701
Disposals for the year	-400,000	0
Transfers for the year	0	1,687,523
Cost at 30 June	5,328,224	5,728,224
Value adjustments at 1 July	61,833,859	60,330,130
Disposals for the year	-14,502,586	0
Exchange adjustment	1,829	-12,101
Net profit/loss for the year	-11,290,519	18,072,159
Dividend to the Parent Company	0	-15,000,000
Amortisation of goodwill	-133,625	-133,625
Change in intercompany profit on inventories	338,902	-1,773,142
Transfers for the year	0	350,438
Value adjustments at 30 June	36,247,860	61,833,859
Equity investments with negative net asset value amortised over receivables	784,854	0
<b>Carrying amount at 30 June</b>	<b>42,360,938</b>	<b>67,562,083</b>

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	Flensburg	EUR 25.000	100%
Viridus A/S	Aarhus	DKK 500.000	100%
Promovec America Inc.	Michigan	USD 10.000	100%
BatriBike Ltd.	Lincolnshire	GBP 100	100%



Notes to the

# FINANCIAL STATEMENT

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
<b>11. Investments in associates</b>				
Cost at 1 July	0	3,097,918	0	420
Additions for the year	0	1,687,103	0	1,687,103
Transfers for the year	0	-4,785,021	0	-1,687,523
Cost at 30 June	0	0	0	0
Value adjustments at 1 July	0	937,227	0	350,438
Net profit/loss for the year	0	354,513	0	0
Transfers for the year	0	-1,291,740	0	-350,438
Value adjustments at 30 June	0	0	0	0
<b>Carrying amount at 30 June</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 12. Other fixed asset investments

### Group

	Other receivables
	DKK
Cost at 1 July	89,038
Disposals for the year	-3,363
Cost at 30 June	85,675
<b>Carrying amount at 30 June</b>	<b>85,675</b>

## 13. Inventories

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
Raw materials and consumables	13,389,109	6,460,212	0	0
Finished goods and goods for resale	55,421,721	62,720,728	0	0
	<b>68,810,830</b>	<b>69,180,940</b>	<b>0</b>	<b>0</b>

Notes to the

# FINANCIAL STATEMENT

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
<b>14. Deferred tax asset</b>				
Deferred tax asset at 1 July	-1,632,702	-2,133,079	0	0
Additions for the year	-181	-238,719	0	0
Amounts recognised in the income statement for the year	1,969,119	739,096	0	0
<b>Deferred tax asset at 30 June</b>	<b>336,236</b>	<b>-1,632,702</b>	<b>0</b>	<b>0</b>

The Group's deferred tax asset is a result of temporary differences between the carrying amount and tax-based value of intangible assets, plant and equipment and tax losses. Based on budgets, the Group's management expects that tax losses carried forward will be used in the next 3 years.

## 15. 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.

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
<b>16. Other provisions</b>				
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 kDKK 2346 (2022/23: kDKK 3,224 ) have been recognised for expected warranty claims.				
Other provisions	2,346,417	3,223,596	0	0
	<b>2,346,417</b>	<b>3,223,596</b>	<b>0</b>	<b>0</b>

The provisions are expected to mature as follows:

	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
Within 1 year	1,807,554	2,853,870	0	0
Between 1 and 5 years	538,863	369,726	0	0
After 5 years	0	0	0	0
	<b>2,346,417</b>	<b>3,223,596</b>	<b>0</b>	<b>0</b>

Connect+ consists of a minimalist display that cyclists can use for daily trips, as well as a Bluetooth-operated system connecting your phone and your bike via an app.

## Notes to the

# FINANCIAL STATEMENT

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK

## 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:

### Payables to group enterprises relating to corporation tax

Between 1 and 5 years	0	6,332,040	279,554	15,444
Long-term part	0	6,332,040	279,554	15,444
Within 1 year	5,395,882	3,776,260	4,363,959	0
	<b>5,395,882</b>	<b>10,108,300</b>	<b>4,643,513</b>	<b>15,444</b>

### Other payables

After 5 years	0	0	0	0
Between 1 and 5 years	2,065,412	2,175,175	0	0
Long-term part	2,065,412	2,175,175	0	0
Other short-term payables	5,990,618	8,951,782	51,923	10,000
	<b>8,056,030</b>	<b>11,126,957</b>	<b>51,923</b>	<b>10,000</b>

	Group	
	2023/24	2022/23
	DKK	DKK
<b>18. Cash flow statement - Adjustments</b>		
Financial income	-437,629	-75,505
Financial expenses	3,002,050	5,059,758
Depreciation, amortisation and impairment losses, including losses and gains on sales	4,609,861	-8,946,086
Income from investments in associates	0	-354,513
Tax on profit/loss for the year	-3,096,565	4,692,134
Exchange adjustments	1,829	-12,100
	<b>4,079,546</b>	<b>363,688</b>

Dynamic Cargo is equipped with specially hand-picked components from the exclusive shelves. This includes Enviolo seamless gear, anti-tip tires, hydraulic disc brakes that work in all weather, as well as a powerful 90 Nm Silent Center motor.

## Notes to the

# FINANCIAL STATEMENT

	Group	
	2023/24	2022/23
	DKK	DKK
<b>19. Cash flow statement - Change in working capital</b>		
Change in inventories	370,110	17,324,815
Change in receivables	-786,085	51,078,781
Change in other provisions	-877,179	-214,475
Change in trade payables, etc	-926,889	-51,610,225
	<b>-2,220,043</b>	<b>16,578,896</b>

	Group	
	2023/24	2022/23
	DKK	DKK
<b>20. Cash flow statement - Business acquisition</b>		
Batribike Limited	0	1,687,109
Viridus Manufacturing A/S	0	3,570,736
	0	5,257,845
Cash and cash equivalents regarding acquisition	0	-838,013
	<b>0</b>	<b>4,419,832</b>

	Group		Parent company	
	2023/24	2022/23	2023/24	2022/23
	DKK	DKK	DKK	DKK
<b>21. Contingent assets, liabilities and other financial obligations</b>				
<b>Charges and security</b>				
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	112,664,053	113,606,610	0	0

Notes to the

# FINANCIAL STATEMENT

## Notes to the Financial Statements

### 21. Contingent assets, liabilities and other financial obligations

#### Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

	Group		Parent company	
	2023/24 DKK	2022/23 DKK	2023/24 DKK	2022/23 DKK
Within 1 year	5,571,281	5,516,591	0	0
Between 1 and 5 years	17,796,384	18,590,064	0	0
After 5 years	35,726,652	39,359,355	0	0
	<b>59,094,317</b>	<b>63,466,010</b>	<b>0</b>	<b>0</b>

#### 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.

The Parent Company has presented a letter of support to Viridus A/S confirming that the company will provide the necessary liquidity in 2024/25.

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 41.139.736 per 30 June 2024.

Notes to the

# FINANCIAL STATEMENT

## 22. Related parties and disclosure of consolidated financial statements

	Basis
<b>Controlling interest</b>	
Jesper Lundqvist Holding ApS	Parent Company
<b>Other related parties</b>	
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

## 23. Subsequent events

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

A Viridus Manufacturing A/S  
Battery Management System (BMS)  
– developed for industrial use.

Notes to the

# FINANCIAL STATEMENT

## 24. Accounting politics

The Annual Report of Promovec Group A/S for 2023/24 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 2023/24 are presented in DKK.

Promovec Group A/S has in 2023/2024 merged with Promovec Properties ApS per 1 July 2023. The accounting policy applied is the Book Value method. The consolidated Financial Statement is unchanged.

### 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.

### 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.

## Notes to the

# FINANCIAL 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.

**Pooling of interests**

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied at the date of acquisition, and comparative figures have not been restated.

**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 acquisition 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. 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.

## Notes to the

# FINANCIAL STATEMENT

## Income statement

### Revenue

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.

### Change in inventories of finished goods, work in progress and goods for resale

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

### 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 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 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

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 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

The fixed assets' residual values are determined at nil.

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.

## Notes to the

# FINANCIAL STATEMENT

**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.

**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

## Notes to the

# FINANCIAL STATEMENT

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**

Loans, such as 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/loss of ordinary primary operations 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 2024 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 2023 - 30 June 2024 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 2023 - 30 June 2024, 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.

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.

- 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.

# INDEPENDENT AUDITOR'S REPORT

Esbjerg, 14. November 2024  
PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31

Palle H. Jensen  
State Authorised Public Accountant mne32115

Kim Ladegaard  
State Authorised Public Accountant mne32799





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## Gert Kristiansen

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## Camilla Deichmann

### Bestyrelsesmedlem

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## Jesper Lundqvist

### Direktør

På vegne af: Promovec Group A/S

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## Kim Ladegaard

### PRICEWATERHOUSECOOPERS STATSATORISERET

REVISIONSPARTNERSELSKAB CVR: 33771231

Statsautoriseret revisor

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## Palle Habekost Jensen

PRICEWATERHOUSECOOPERS STATSATORISERET

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## Brian Christensen

Dirigent

På vegne af: Promovec Group A/S

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