

SEC SET ECOFOSS A/S

Mariendalsvej 28, 8800 Viborg

Company reg. no. 15 15 07 85

Annual report

1 January - 31 December 2023



The annual report was submitted and approved by the general meeting on the 11 April 2024.

Jeppé Ruseng Hansen
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of SEC SET ECOFOSS A/S for the financial year 1 January - 31 December 2023.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

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

We recommend that the annual report be approved at the Annual General Meeting.

Viborg, 11 April 2024

Managing Director

Jeppe Ruseng Hansen

Board of directors

Juan Antonio Garcia Tormund

Arthur Sebastian Seppänen

Thomas Patrik Torleif Ekström

Independent auditor's report

To the Shareholders of SEC SET ECOFOSS A/S

Opinion

We have audited the financial statements of SEC SET ECOFOSS A/S for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. 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 financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

Management's 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance 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.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.

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.

Independent auditor's report

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

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

Based on the work we have performed, 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 Statement Act. We did not identify any material misstatement of Management's Review.

Viborg, 11 April 2024

Ullits & Winther

State Authorized Public Accounting Firm
Company reg. no. 32 09 32 72

Claus Søndergaard Nielsen

State Authorised Public Accountant
mne30145

Company information

The company

SEC SET ECOFOSS A/S

Mariendalsvej 28

8800 Viborg

Company reg. no. 15 15 07 85

Established: 1 May 1991

Domicile: Viborg

Financial year: 1 January - 31 December

Board of directors

Juan Antonio Garcia Tormund

Arthur Sebastian Seppänen

Thomas Patrik Torleif Ekström

Managing Director

Jeppe Ruseng Hansen

Auditors

Ullits & Winther

Statsautoriseret Revisionspartnerselskab

Agerlandsvej 1

8800 Viborg

Management's review

Description of key activities of the company

Like previous years, the activities are the sale of a number of quality brands within primarily multimedia, hands-free, reversing camera, car stereo, electronic equipments, lightningsources as well as its own brand within LED lighting.

Development in activities and financial matters

The profit and loss account covers 1 January to 31 December and shows a result of DKK 9.600.451 against DKK 605.073 last year. The balance sheet shows equity of DKK 18.615.059.

The company is effective as of 1. January 2023 merged with the company S-E-T A/S and the associated company Ecofoss A/S. Comparison figures have not been adjusted, as the companies S-E-T A/S and Ecofoss A/S have been acquired during 2022.

Accounting policies

The annual report for SEC SET ECOFOSS A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Business combinations

Business combinations (the uniting-of-interests method)

In case of intercompany business combinations, the uniting-of-interests method is applied. By this method, the two enterprises are united at carrying amounts, and differences are not identified. The considerations exceeding the carrying amount in the acquired entity are recognised directly in equity.

Accounting policies

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including lease income from temporary production facilities leased out profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

Other operating expenses

Other operating expenses comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Accounting policies

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Equipment

Equipment are measured at cost less accrued depreciation and write-down for impairment.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from sub-suppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Leases

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Accounting policies

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Revaluation reserve

Revaluations of property less deferred tax are recognised under the revaluation reserve. The reserve is reduced when the value of revalued property is reduced due to depreciation. The reduction represents the difference between depreciation based on the revalued carrying amount of the property and depreciation based on the original cost of the property.

The reserve is partly or totally dissolved on the sale of the property and reduced as a result of impairment loss on property.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Accounting policies

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Gross profit	21.080.765	5.391.462
1 Staff costs	-7.354.763	-4.152.229
Depreciation and impairment of equipment	-201.321	-13.255
Other operating expenses	-771.657	-317.545
Operating profit	12.753.024	908.433
Other financial income	16.843	78.211
2 Other financial expenses	-610.278	-200.775
Pre-tax net profit or loss	12.159.589	785.869
Tax on net profit or loss for the year	-2.559.138	-180.796
Net profit or loss for the year	9.600.451	605.073
Proposed distribution of net profit:		
Transferred to retained earnings	9.600.451	605.073
Total allocations and transfers	9.600.451	605.073

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Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Assets		
Non-current assets		
3 Other fixtures, fittings, tools and equipment	1.292.471	36.904
Total property, plant, and equipment	<u>1.292.471</u>	<u>36.904</u>
4 Investments in group enterprises	0	7.749.160
5 Deposits	<u>270.000</u>	<u>270.000</u>
Total investments	<u>270.000</u>	<u>8.019.160</u>
Total non-current assets	<u>1.562.471</u>	<u>8.056.064</u>
Current assets		
Raw materials and consumables	4.491.933	3.893.953
Manufactured goods and goods for resale	14.719.930	0
Prepayments for goods	<u>4.405.878</u>	<u>1.578.118</u>
Total inventories	<u>23.617.741</u>	<u>5.472.071</u>
Trade receivables	5.683.396	2.013.102
Receivables from group enterprises	0	4.912.454
Other receivables	0	595
Prepayments	<u>201.967</u>	<u>116.979</u>
Total receivables	<u>5.885.363</u>	<u>7.043.130</u>
Cash and cash equivalents	<u>6.610.160</u>	<u>62.060</u>
Total current assets	<u>36.113.264</u>	<u>12.577.261</u>
Total assets	<u>37.675.735</u>	<u>20.633.325</u>

Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Equity and liabilities		
Equity		
Contributed capital	1.000.000	500.000
Revaluation reserve	195.000	0
Retained earnings	17.420.059	3.480.824
Total equity	18.615.059	3.980.824
Provisions		
Provisions for deferred tax	141.000	16.000
Total provisions	141.000	16.000
Liabilities other than provisions		
Bank loans	0	42.398
Payables to group enterprises	12.022.773	11.828.968
Total long term liabilities other than provisions	12.022.773	11.871.366
Trade payables	956.520	439.841
Payables to group enterprises	753.503	0
Income tax payable	2.575.960	169.796
Other payables	2.610.920	4.155.498
Total short term liabilities other than provisions	6.896.903	4.765.135
Total liabilities other than provisions	18.919.676	16.636.501
Total equity and liabilities	37.675.735	20.633.325

6 Charges and security

7 Contingencies

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Revaluation reserve</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2022	500.000	0	2.875.751	3.375.751
Retained earnings for the year	<u>0</u>	<u>0</u>	<u>605.073</u>	<u>605.073</u>
Equity 1 January 2022	500.000	0	3.480.824	3.980.824
Retained earnings for the year	0	0	9.600.451	9.600.451
Revaluations for the year	0	195.000	0	195.000
Capital increase from horizontal merger with S-E-T A/S	500.000	0	-500.000	0
Regulation regarding merger with S-E-T A/S	0	0	9.359.729	9.359.729
Koncerngoodwill from vertical merger with Ecofoss A/S	<u>0</u>	<u>0</u>	<u>-4.520.945</u>	<u>-4.520.945</u>
	<u>1.000.000</u>	<u>195.000</u>	<u>17.420.059</u>	<u>18.615.059</u>

Notes

All amounts in DKK.

	<u>2023</u>	<u>2022</u>
1. Staff costs		
Salaries and wages	6.397.996	3.620.371
Pension costs	847.849	465.691
Other costs for social security	<u>108.918</u>	<u>66.167</u>
	<u>7.354.763</u>	<u>4.152.229</u>
Average number of employees	<u>12</u>	<u>8</u>
2. Other financial expenses		
Financial costs, group enterprises	582.662	116.889
Other financial costs	<u>27.616</u>	<u>83.886</u>
	<u>610.278</u>	<u>200.775</u>
	<u>31/12 2023</u>	<u>31/12 2022</u>
3. Other fixtures, fittings, tools and equipment		
Cost opening balance	232.106	184.914
Additions from mergers	863.321	0
Additions during the year	<u>1.091.173</u>	<u>47.192</u>
Cost end of period	<u>2.186.600</u>	<u>232.106</u>
Revaluations for the year	<u>250.000</u>	<u>0</u>
Revaluation end of period	<u>250.000</u>	<u>0</u>
Depreciation and write-down opening balance	-195.202	-181.947
Additions from mergers	-747.606	0
Amortisation and depreciation for the year	<u>-201.321</u>	<u>-13.255</u>
Depreciation and write-down end of period	<u>-1.144.129</u>	<u>-195.202</u>
Carrying amount, end of period	<u>1.292.471</u>	<u>36.904</u>

Notes

All amounts in DKK.

	<u>31/12 2023</u>	<u>31/12 2022</u>
4. Investments in group enterprises		
Cost opening balance	7.749.160	0
Additions during the year	0	7.749.160
Disposals due to merger	<u>-7.749.160</u>	<u>0</u>
Cost end of period	<u>0</u>	<u>7.749.160</u>
Carrying amount, end of period	<u>0</u>	<u>7.749.160</u>
5. Deposits		
Cost opening balance	270.000	0
Additions during the year	0	270.000
Disposals during the year	-280.500	0
Additions from mergers	<u>280.500</u>	<u>0</u>
Cost end of period	<u>270.000</u>	<u>270.000</u>
Carrying amount, end of period	<u>270.000</u>	<u>270.000</u>

6. Charges and security

None.

7. Contingencies

Contingent liabilities

Lease liabilities

The company has entered into operational leases with an average annual lease payment of DKK 82 tkr. The leases have 2-60 months to maturity and total outstanding lease payments total DKK 326 tkr.

Warranty commitments and other contingent liabilities:

The company has entered into a tenancy agreement with an annual rent on DKK 1.080 tkr. The agreement may be terminated by giving 6 month notice. However, the tenancy agreement can only be terminated for eviction on 31 March 2033.

Dette dokument er underskrevet af nedenstående parter, der med deres underskrift har bekræftet dokumentets indhold samt alle datoer i dokumentet.

This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

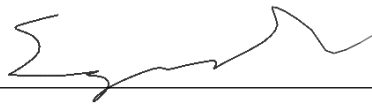


Juan Antonio Garcia Tormund
Bestyrelsesformand

IP-adresse: 95.194.218.123:38343

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Arthur Sebastian Seppänen
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IP-adresse: 185.170.74.136:46403

Tidspunkt for underskrift: 23-04-2024 kl.: 06:44:10

Underskrevet med esignatur EasySign



Thomas Patrik Torleif Ekström
Bestyrelsesmedlem

IP-adresse: 213.28.227.221:30706

Tidspunkt for underskrift: 28-04-2024 kl.: 17:19:50

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Jeppe Ruseng Hansen

Navnet returneret af dansk MitID var:

Jeppe Ruseng Hansen

Direktør

ID: 29340b63-4134-4a37-9c91-68005d93a007

CPR-match med dansk MitID

Tidspunkt for underskrift: 12-04-2024 kl.: 22:53:10

Underskrevet med MitID



Claus Søndergaard Nielsen

Navnet returneret af dansk MitID var:

Claus Søndergaard Nielsen

Revisor

ID: 49af87d1-ea63-4e47-861c-fa5ecb45698e

CVR-match med dansk MitID

Tidspunkt for underskrift: 28-04-2024 kl.: 20:41:49

Underskrevet med MitID



Jeppe Ruseng Hansen

Navnet returneret af dansk MitID var:

Jeppe Ruseng Hansen

Dirigent

ID: 29340b63-4134-4a37-9c91-68005d93a007

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