
Jesper Lundqvist Holding ApS

Helga Pedersens Gade 9, 7. 1, DK-8000 Aarhus N

Annual Report for 1 July 2022 - 30 June 2023

CVR No. 31 05 86 00

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 8/11 2023

Jesper Lundqvist
Chairman of the
general meeting



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Management's statement

The Executive Board has today considered and adopted the Consolidated Financial Statements and Parent Company Financial Statements of Jesper Lundqvist Holding ApS for the financial year 1 July 2022 - 30 June 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 30 June 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022/23.

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

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

Aarhus N, 8 November 2023

Executive Board

Jesper Lundqvist
Manager

Independent Auditor's report

To the shareholder of Jesper Lundqvist Holding ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2023 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 July 2022 - 30 June 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Jesper Lundqvist Holding ApS for the financial year 1 July 2022 - 30 June 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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, 8 November 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Palle H. Jensen
State Authorised Public Accountant
mne32115

Kim Ladegaard
State Authorised Public Accountant
mne32799

Company information

The Company

Jesper Lundqvist Holding ApS
Helga Pedersens Gade 9, 7. 1
DK-8000 Aarhus N

CVR No: 31 05 86 00

Financial period: 1 July 2022 - 30 June 2023

Incorporated: 7 November 2007

Financial year: 16th financial year

Municipality of reg. office: Aarhus

Executive Board

Jesper Lundqvist

Auditors

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

Group Chart

<u>Company</u>	<u>Residence</u>	<u>Ownership</u>
Jesper Lundqvist Holding ApS	Aarhus	
Promovec Group A/S	Aarhus	71%
Promovec A/S	Aarhus	100%
Promovec Properties A/S	Aarhus	100%
Promovec GmbH	Flensburg	100%
Promovec America Inc.	Conshohocken	100%
BikeRep A/S	Aarhus	100%
Batribike Limited	Cleethorpes	100%
Viridus A/S	Aarhus	100%
Viridus Manufacturing A/S	Aarhus	75%
Lundqvist Family Holding ApS	Aarhus	25%

Jesper Lundqvist Holding ApS have 100% of the voting rights in Lundqvist Family Holding ApS.

Financial Highlights

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

	Group				
	2022/23	2021/22	2020/21	2019/20	2018/19
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit/loss	67,523	57,002	61,971	30,575	33,119
Profit/loss of ordinary primary operations	24,998	23,375	32,423	7,933	13,269
Profit/loss before financial income and expenses	24,921	23,349	32,635	8,090	13,419
Profit/loss of financial income and expenses	-4,728	265	-186	-1,735	-3,256
Net profit/loss	15,529	18,598	25,610	4,986	7,679
Balance sheet					
Balance sheet total	146,614	242,387	145,308	71,822	85,742
Investment in property, plant and equipment	12,955	48,743	15,677	442	1,844
Equity	76,834	59,370	41,733	16,819	12,439
Cash flows					
Cash flows from:					
- operating activities	21,433	366	-4,591	29,233	-23,996
- investing activities	60,647	-51,068	-19,624	-2,238	-3,439
- financing activities	-75,496	51,613	23,952	13,887	-2,520
Change in cash and cash equivalents for the year	6,584	911	-264	40,882	-29,955
Number of employees	82	63	54	35	0
Ratios					
Return on assets	17.0%	9.6%	22.5%	11.3%	15.7%
Solvency ratio	52.4%	24.5%	28.7%	23.4%	14.5%
Return on equity	22.8%	36.8%	87.5%	34.1%	105.4%

Management's review

Key activities

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

Development in the year

The income statement of the Group for 2022/23 shows a profit of DKK 15,528,930, and at 30 June 2023 the balance sheet of the Group shows positive equity of DKK 76,834,083.

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

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

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

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

Special risks - operating risks and financial risks

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

Foreign exchange risks

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

Liquidity risks

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

Targets and expectations for the year ahead

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

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

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

Management's review

Uncertainty relating to recognition and measurement

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

Unusual events

The financial position at 30 June 2023 of the Group and the results of the activities and cash flows of the Group for the financial year for 2022/23 have been positively affected by profit on sale of property as well as exchange adjustments etc. of MDKK 20,7.

Subsequent events

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

Income statement 1 July 2022 - 30 June 2023

	Note	Group		Parent company	
		2022/23	2021/22	2022/23	2021/22
		DKK	DKK	DKK	DKK
Gross profit		67,523,062	57,002,431	-13,000	-25,976
Staff expenses	2	-37,247,123	-30,329,907	0	0
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-5,278,129	-3,297,986	0	0
Other operating expenses		-77,190	-25,342	0	0
Profit/loss before financial income and expenses		24,920,620	23,349,196	-13,000	-25,976
Income from investments in subsidiaries		0	0	22,132,407	1,978,414
Income from investments in associates		354,513	578,396	0	0
Financial income	3	-2,891,044	961,815	-2,966,549	2,967,245
Financial expenses	4	-2,191,907	-1,274,761	-98,617	-119,583
Profit/loss before tax		20,192,182	23,614,646	19,054,241	4,800,100
Tax on profit/loss for the year	5	-4,663,252	-5,016,538	676,760	-596,998
Net profit/loss for the year	6	15,528,930	18,598,108	19,731,001	4,203,102

Balance sheet 30 June 2023

Assets

	Note	Group		Parent company	
		2022/23	2021/22	2022/23	2021/22
		DKK	DKK	DKK	DKK
Completed development projects		4,111,046	2,598,421	0	0
Goodwill		2,592,417	401,356	0	0
Development projects in progress		4,478,127	4,060,212	0	0
Intangible assets	7	11,181,590	7,059,989	0	0
Land and buildings		3,198,800	0	0	0
Plant and machinery		0	0	0	0
Other fixtures and fittings, tools and equipment		6,912,613	3,938,921	0	0
Leasehold improvements		763,958	286,279	0	0
Property, plant and equipment in progress		0	61,207,209	0	0
Property, plant and equipment	8	10,875,371	65,432,409	0	0
Investments in subsidiaries	9	0	0	54,844,556	2,953,377
Investments in associates	10	0	4,035,145	0	0
Other receivables	11	89,038	356,000	0	0
Fixed asset investments		89,038	4,391,145	54,844,556	2,953,377
Fixed assets		22,145,999	76,883,543	54,844,556	2,953,377
Inventories	12	69,180,940	61,451,031	0	0

Balance sheet 30 June 2023

Assets

	Note	Group		Parent company	
		2022/23	2021/22	2022/23	2021/22
		DKK	DKK	DKK	DKK
Trade receivables		39,194,795	76,165,505	0	0
Receivables from group enterprises		0	0	0	32,733,879
Receivables from associates		0	517,421	0	0
Other receivables		2,891,447	21,081,857	0	0
Corporation tax receivable from group enterprises		0	0	9,595,482	10,570,610
Prepayments	13	4,441,376	4,112,151	0	0
Receivables		46,527,618	101,876,934	9,595,482	43,304,489
Cash at bank and in hand		8,759,671	2,175,897	179,521	265,477
Current assets		124,468,229	165,503,862	9,775,003	43,569,966
Assets		146,614,228	242,387,405	64,619,559	46,523,343

Balance sheet 30 June 2023

Liabilities and equity

	Note	Group		Parent company	
		2022/23	2021/22	2022/23	2021/22
		DKK	DKK	DKK	DKK
Share capital		125,000	125,000	125,000	125,000
Reserve for net revaluation under the equity method		0	0	0	2,943,377
Reserve for development costs		6,699,555	3,675,390	0	0
Retained earnings		45,225,095	28,644,617	51,924,650	29,376,630
Proposed dividend for the year		117,800	114,400	117,800	114,400
Equity attributable to shareholders of the Parent Company		52,167,450	32,559,407	52,167,450	32,559,407
Minority interests		24,666,633	26,810,695	0	0
Equity		76,834,083	59,370,102	52,167,450	32,559,407
Provision for deferred tax	14	1,632,702	2,133,079	0	0
Other provisions	15	3,223,596	3,009,268	0	0
Provisions		4,856,298	5,142,347	0	0
Mortgage loans		0	30,193,959	0	0
Corporation tax		4,286,689	0	4,286,689	0
Other payables		2,175,175	1,834,867	0	0
Long-term debt	16	6,461,864	32,028,826	4,286,689	0

Balance sheet 30 June 2023

Liabilities and equity

	Note	Group		Parent company	
		2022/23	2021/22	2022/23	2021/22
		DKK	DKK	DKK	DKK
Mortgage loans	16	0	1,489,459	0	0
Credit institutions		27,846,348	62,316,522	0	0
Prepayments received from customers		170,419	0	0	0
Trade payables		14,328,435	61,068,086	0	0
Payables to group enterprises		0	0	1,516,000	340,000
Payables to associates		0	421	0	0
Payables to owners and Management		2,928,320	2,832,220	2,928,320	2,832,220
Corporation tax	16	4,218,711	10,132,400	3,712,887	10,785,466
Other payables	16	8,969,750	8,007,022	8,213	6,250
Short-term debt		58,461,983	145,846,130	8,165,420	13,963,936
Debt		64,923,847	177,874,956	12,452,109	13,963,936
Liabilities and equity		146,614,228	242,387,405	64,619,559	46,523,343
Contingent assets, liabilities and other financial obligations	20				
Related parties	21				
Accounting Policies	22				

Statement of changes in equity

Group

	Share capital	Reserve for development costs	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 July	125,000	3,675,390	28,644,617	114,400	32,559,407	26,810,695	59,370,102
Cash capital increase	0	0	0	0	0	2,060,612	2,060,612
Ordinary dividend paid	0	0	0	-114,400	-114,400	0	-114,400
Other equity movements	0	0	-8,558	0	-8,558	-2,603	-11,161
Development costs for the year	0	3,829,306	-3,829,306	0	0	0	0
Depreciation, amortisation and impairment for the year	0	-805,141	805,141	0	0	0	0
Net profit/loss for the year	0	0	19,613,201	117,800	19,731,001	-4,202,071	15,528,930
Equity at 30 June	125,000	6,699,555	45,225,095	117,800	52,167,450	24,666,633	76,834,083

Parent company

	Share capital	Reserve for net revaluation under the equity method	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	125,000	2,943,377	29,376,630	114,400	32,559,407	0	32,559,407
Ordinary dividend paid	0	0	0	-114,400	-114,400	0	-114,400
Other equity movements	0	-8,558	0	0	-8,558	0	-8,558
Net profit/loss for the year	0	-2,934,819	22,548,020	117,800	19,731,001	0	19,731,001
Equity at 30 June	125,000	0	51,924,650	117,800	52,167,450	0	52,167,450

Cash flow statement 1 July 2022 - 30 June 2023

	Note	Group	
		2022/23	2021/22
		DKK	DKK
Result of the year		15,528,930	18,598,108
Adjustments	17	835,799	7,299,105
Change in working capital	18	17,456,829	-24,489,921
Cash flow from operations before financial items		33,821,558	1,407,292
Financial income		-2,891,044	961,815
Financial expenses		-2,191,519	-1,231,699
Cash flows from ordinary activities		28,738,995	1,137,408
Corporation tax paid		-7,306,003	-771,468
Cash flows from operating activities		21,432,992	365,940
Purchase of intangible assets		-2,962,772	-779,420
Purchase of property, plant and equipment		-9,900,035	-50,288,921
Sale of property, plant and equipment		77,928,752	0
Business acquisition	19	-4,419,442	0
Cash flows from investing activities		60,646,503	-51,068,341
Repayment of mortgage loans		-31,683,418	-1,532,096
Repayment of loans from credit institutions		-44,038,211	0
Repayment of other long-term debt		340,308	0
Raising of loans from credit institutions		0	54,106,072
Cash capital increase		0	30,000
Dividend paid		-114,400	-991,100
Cash flows from financing activities		-75,495,721	51,612,876
Change in cash and cash equivalents		6,583,774	910,475
Cash and cash equivalents at 1 July		2,175,897	1,265,422
Cash and cash equivalents at 30 June		8,759,671	2,175,897
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		8,759,671	2,175,897
Cash and cash equivalents at 30 June		8,759,671	2,175,897

Notes to the Financial Statements

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	DKK	DKK	DKK	DKK
1. Other operating income				
Profit on sale of property	13,900,049	0	0	0
Wage reimbursement etc.	1,857,207	125,286	0	0
Exchange adjustments repayment mortgage loans	4,953,403	0	0	0
	20,710,659	125,286	0	0

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

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	DKK	DKK	DKK	DKK
3. Financial income				
Interest received from group enterprises	-2,966,549	0	-2,966,549	2,967,204
Interest received from associates	0	13,876	0	0
Other financial income	0	947,939	0	41
Exchange adjustments	75,505	0	0	0
	-2,891,044	961,815	-2,966,549	2,967,245

Notes to the Financial Statements

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	DKK	DKK	DKK	DKK
4. Financial expenses				
Interest paid to group enterprises	-2,966,549	0	0	0
Other financial expenses	5,151,456	1,274,761	98,617	119,583
Exchange loss	7,000	0	0	0
	2,191,907	1,274,761	98,617	119,583

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	DKK	DKK	DKK	DKK
5. Income tax expense				
Current tax for the year	5,402,160	4,477,316	-676,760	596,862
Deferred tax for the year	-739,096	539,086	0	0
Adjustment of tax concerning previous years	188	136	0	136
	4,663,252	5,016,538	-676,760	596,998

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	DKK	DKK	DKK	DKK
6. Profit allocation				
Proposed dividend for the year	117,800	114,400	117,800	114,400
Reserve for net revaluation under the equity method	0	0	-2,934,819	-23,360,932
Minority interests' share of net profit/loss of subsidiaries	-4,202,071	14,395,006	0	0
Retained earnings	19,613,201	4,088,702	22,548,020	27,449,634
	15,528,930	18,598,108	19,731,001	4,203,102

Notes to the Financial Statements

7. Intangible fixed assets

Group

	Completed development projects	Goodwill	Develop- ment projects in progress
	DKK	DKK	DKK
Cost at 1 July	15,992,761	401,356	4,060,212
Additions for the year	0	2,806,529	2,962,772
Transfers for the year	2,544,857	0	-2,544,857
Cost at 30 June	<u>18,537,618</u>	<u>3,207,885</u>	<u>4,478,127</u>
Impairment losses and amortisation at 1 July	13,394,340	0	0
Exchange adjustment	0	-30	0
Amortisation for the year	1,032,232	615,498	0
Impairment losses and amortisation at 30 June	<u>14,426,572</u>	<u>615,468</u>	<u>0</u>
Carrying amount at 30 June	<u>4,111,046</u>	<u>2,592,417</u>	<u>4,478,127</u>

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

This year, we finished more of our display developments, and they have been received positively in the market. We will continue the coming year with further developments. The batteries, that needed an upgrade due to changed legislations, have been finished, but we will continue with further new battery developments that are placed in the downtube, as this design is in high demand. For next year, our focus will be on developing our own platform technology, so we can reduce dependency on sub-suppliers. This way we can also make the green transition possible, by being able to choose more freely which supplier to use. Furthermore, we will strengthen our development focus within products adapted to the international market and make further developments together with our international strategic customers.

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

Notes to the Financial Statements

8. Property, plant and equipment

Group

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
	DKK	DKK	DKK	DKK	DKK
Cost at 1 July	0	123,347	7,575,307	2,139,884	61,207,209
Exchange adjustment	0	18	843	0	0
Additions for the year	0	0	5,438,234	781,580	6,735,478
Disposals for the year	-64,743,887	-106,692	-100,207	-1,868,374	0
Transfers for the year	67,942,687	0	0	0	-67,942,687
Cost at 30 June	3,198,800	16,673	12,914,177	1,053,090	0
Impairment losses and depreciation at 1 July	0	123,347	3,636,386	1,853,605	0
Exchange adjustment	0	18	634	0	0
Depreciation for the year	643,934	0	2,364,544	186,711	0
Impairment and depreciation of sold assets for the year	-643,934	0	0	0	0
Reversal of impairment and depreciation of sold assets	0	-106,692	0	-1,751,184	0
Impairment losses and depreciation at 30 June	0	16,673	6,001,564	289,132	0
Carrying amount at 30 June	3,198,800	0	6,912,613	763,958	0

Notes to the Financial Statements

	<u>Parent company</u>	
	<u>2022/23</u>	<u>2021/22</u>
	DKK	DKK
9. Investments in subsidiaries		
Cost at 1 July	10,000	6,558,899
Additions for the year	59,330,985	10,000
Disposals for the year	0	-6,558,899
Cost at 30 June	<u>59,340,985</u>	<u>10,000</u>
Value adjustments at 1 July	-26,620,278	26,295,309
Net profit/loss for the year	22,132,408	1,978,414
Dividend to the Parent Company	0	-2,121,915
Other equity movements, net	-8,559	0
Other adjustments	0	-29,893,153
Reversals for the year of revaluations in previous years	0	-22,878,933
Value adjustments at 30 June	<u>-4,496,429</u>	<u>-26,620,278</u>
Equity investments with negative net asset value amortised over receivables	0	29,563,655
Carrying amount at 30 June	<u>54,844,556</u>	<u>2,953,377</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes	Ownership
Lundqvist Family Holding ApS	Aarhus	DKK 40.000	100%	25%
Promovec Group A/S	Aarhus	DKK 746.401	71%	71%

Notes to the Financial Statements

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

11. Other fixed asset investments

Group

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

Notes to the Financial Statements

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

13. 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	
	2022/23	2021/22	2022/23	2021/22
	DKK	DKK	DKK	DKK
14. Provision for deferred tax				
Deferred tax liabilities at 1 July	2,133,079	1,593,993	0	0
Additions for the year	238,719			
Amounts recognised in the income statement for the year	-739,096	539,086	0	0
Deferred tax liabilities at 30 June	1,632,702	2,133,079	0	0

15. Other provisions

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

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	DKK	DKK	DKK	DKK
Other provisions	3,223,596	3,009,268	0	0
	3,223,596	3,009,268	0	0

Notes to the Financial Statements

The provisions are expected to mature as follows:

Within 1 year	2,853,870	2,637,862	0	0
Between 1 and 5 years	369,726	371,406	0	0
After 5 years	0	0	0	0
	3,223,596	3,009,268	0	0

16. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	DKK	DKK	DKK	DKK
Mortgage loans				
After 5 years	0	24,098,650	0	0
Between 1 and 5 years	0	6,095,309	0	0
Long-term part	0	30,193,959	0	0
Within 1 year	0	1,489,459	0	0
	0	31,683,418	0	0
Corporation tax				
After 5 years	0	0	0	0
Between 1 and 5 years	4,286,689	0	4,286,689	0
Long-term part	4,286,689	0	4,286,689	0
Within 1 year	4,218,711	10,132,400	3,712,887	10,785,466
	8,505,400	10,132,400	7,999,576	10,785,466
Other payables				
After 5 years	0	0	0	0
Between 1 and 5 years	2,175,175	1,834,867	0	0
Long-term part	2,175,175	1,834,867	0	0
Other short-term payables	8,969,750	8,007,022	8,213	6,250
	11,144,925	9,841,889	8,213	6,250

Notes to the Financial Statements

	Group	
	2022/23	2021/22
	DKK	DKK
17. Cash flow statement - Adjustments		
Financial income	2,891,044	-961,815
Financial expenses	2,191,907	1,274,761
Depreciation, amortisation and impairment losses, including losses and gains on sales	-8,544,730	2,548,017
Income from investments in associates	-354,513	-578,396
Tax on profit/loss for the year	4,663,252	5,016,538
Exchange adjustments	-11,161	0
	835,799	7,299,105

	Group	
	2022/23	2021/22
	DKK	DKK
18. Cash flow statement - Change in working capital		
Change in inventories	17,324,814	-7,842,578
Change in receivables	52,254,781	-39,228,011
Change in other provisions	-214,863	1,149,176
Change in trade payables, etc	-51,907,903	21,431,492
	17,456,829	-24,489,921

Notes to the Financial Statements

	Group	
	2022/23	2021/22
	DKK	DKK
19. Cash flow statement - Business acquisition		
Batribike Limited	1,687,109	0
Manufacturing A/S	3,570,736	0
	0	0
	0	0
	0	0
	0	0
	5,257,845	0
Cash and cash equivalents regarding acquisition	-838,403	0
	4,419,442	0

Group		Parent company	
2022/23	2021/22	2022/23	2021/22
DKK	DKK	DKK	DKK

20. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with mortgage credit institutes:

Land and buildings with a carrying amount of	0	61,207,209	0	0
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The following assets have been placed as security with bankers:

Mortgage deeds registered to the mortgagor totalling kDKK 44,000, providing security on land and buildings as well as other property, plant and equipment at a total carrying amount of:	113,606,610	146,064,689	0	0
Shares of DKK 746.401 in Promovec Group A/S has been charged as collateral for the banks facilities with the Group. Accounting value.	54,840,490	73,426,287	54,840,490	0

Notes to the Financial Statements

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	5,516,591	183,358	0	0
Between 1 and 5 years	18,590,064	311,163	0	0
After 5 years	39,359,355	0	0	0
	<u>63,466,010</u>	<u>494,521</u>	<u>0</u>	<u>0</u>

Lease obligations, period of non-terminability 12 months	0	699,244	0	0
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Other contingent liabilities

The Danish 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 by the Group amounts to DKK 8,505,400. Moreover, the Danish 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 Group's liability.

21. Related parties

	<u>Basis</u>
Controlling interest	
Jesper Lundqvist, Danmark	Ejer 100%

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.

Notes to the Financial Statements

22. Accounting policies

The Annual Report of Jesper Lundqvist Holding ApS for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2022/23 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Jesper Lundqvist Holding ApS, 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.

Notes to the Financial Statements

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

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

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

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

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of 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. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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

Notes to the Financial Statements

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

Income statement

Net sales

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

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 expenses for premises, sales 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 subsidiaries and associates

The items "Income from investments in subsidiaries" and "Income from investments in associates" in the income statement include 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.

Notes to the Financial Statements

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 . The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

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

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

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.

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.

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

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

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.

Notes to the Financial Statements

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries and associates

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

The items “Investments in subsidiaries” and “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 subsidiaries and 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 subsidiaries and the associates.

Subsidiaries and 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

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 with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

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.

Notes to the Financial Statements

Provisions

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

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

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Notes to the Financial Statements

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	$\text{Profit before financials} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$