

Producteers Holding ApS
Lars Liensvej 25, 9492 Blokhus

Company reg. no. 32 28 03 58

Annual report
2023

The annual report was submitted and approved by the general meeting on the 15 July 2024.

Anne Mette Solvang
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 Managing Director has approved the annual report of Producteers Holding ApS for the financial year 2023.

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

I consider the chosen accounting policy to be appropriate, and in my 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 my 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.

Blokhus, 15 July 2024

Managing Director

Anne Mette Solvang

The independent practitioner's report

To the Shareholders of Producteers Holding ApS

Conclusion

We have performed an extended review of the financial statements of Producteers Holding ApS 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. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position 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 conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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.

Practitioner's responsibilities for the extended review of the Financial Statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

The independent practitioner's report

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Statement on the Management's Review

Management is responsible for the Management's Review.

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

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

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

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

Ringkøbing, 15 July 2024

Partner Revision

State Authorised Public Accountants
Company reg. no. 15 80 77 76

Søren H. Andersen

State Authorised Public Accountant
mne23420

Company information

The company	Producteers Holding ApS Lars Liensvej 25 9492 Blokhus Company reg. no. 32 28 03 58 Established: 1 July 2009 Domicile: Jammerbugt Financial year: 1 January - 31 December 14th financial year
Managing Director	Anne Mette Solvang
Auditors	Partner Revision statsautoriseret revisionsaktieselskab Birkmosevej 20 A 6950 Ringkøbing
Bankers	Sydbank
Participating interest	Electrostar GmbH, Germany

Management's review

Description of key activities of the company

Like previous years, the main activities consisted of sales, development, procurement and production for one less on the part of partners and otherwise at their own factory in the company in China and sales of consultancy assistance for the product development.

Uncertainties about recognition or measurement

The German participating interest, Electrostar GmbH, is recognized on the basis of internal management account prepared by the German accountant. The official annual report prepared by the auditors in Germany are not finished at the moment.

Development in activities and financial matters

The result for 2023 shows a profit of DKK 1.179 thousand compared to a profit of DKK 2.900 thousand for 2022.

Management considers the Company's result of the year satisfactory.

Significant errors have been corrected for investment in participating interest in 2022. Reference is made to the text in the accounting policies.

The company's equity amounts, at the end of the financial year, 12.145 thousand DKK.

Events occurring after the end of the financial year

After the end of the financial year, no events have occurred that could displace the company's financial position substantially.

Accounting policies

The annual report for Producteers Holding ApS 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.

After the presentation of the annual report for 2022, the company became aware that there were significant errors in participating interest and payables to group enterprises in 2022, and the significant errors have been corrected.

The effect of the correction has improved the result for 2022 by DKK 1.553 thousand and the equity for 2022 by DKK 9.523 thousand. Comparative figures have been adjusted.

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, writedowns 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.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

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.

Accounting policies

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.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or write-down for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

Income statement

Other external costs

Other external costs comprise costs incurred for administration.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of tangible assets, respectively.

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, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, 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

Results from participating interest

After full elimination of intercompany profit or loss less amortised of consolidated goodwill, the investment in the participating interest is recognised in the income statement as a proportional share of the participating interests' post-tax profit or loss.

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.

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Buildings	30 years

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 property, land, and 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.

Accounting policies

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value of the asset being leased or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

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.

Impairment loss relating to non-current assets

The carrying amount of equity investments are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist.

Investments

Investments in associate/participating interest

Investments in associate which are presented in the balance sheet as participating interest is recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Accounting policies

Investments in associate is recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the accounting policies of the owner company with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

In relation to material assets and liabilities recognised in associate but are not represented in the owner company, the following accounting policies have been applied.

Investments in associate with a negative equity value is measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the owner company has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of investments in associate transferred to the reserve under equity for net revaluation according to the equity method. The reserve is adjusted by other equity movements in associate.

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.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Accounting policies

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments and accrued income

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

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

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>
Other external costs	-181.151	-56.048
Gross profit	-181.151	-56.048
Depreciation and impairment of property, land and equipment	0	-781
Operating profit	-181.151	-56.829
2 Income from investment in participating interest	1.246.337	2.942.935
Other financial income	113.393	179.800
Other financial costs	0	-69.082
Pre-tax net profit or loss	1.178.579	2.996.824
Tax on net profit or loss for the year	0	-96.703
Net profit or loss for the year	1.178.579	2.900.121
Proposed distribution of net profit:		
Extraordinary dividend distributed during the financial year	1.775.000	7.095.726
Reserves for net revaluation according to the equity method	-1.627.848	1.359.504
Transferred to retained earnings	1.031.427	0
Allocated from retained earnings	0	-5.555.109
Total allocations and transfers	1.178.579	2.900.121

Balance sheet at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2023</u>	<u>2022</u>
Non-current assets			
3	Land and buildings	3.965.978	0
	Total property, plant, and equipment	3.965.978	0
4	Investment in participating interest	12.744.562	14.372.410
	Total investments	12.744.562	14.372.410
	Total non-current assets	16.710.540	14.372.410
Current assets			
	Other receivables	976.680	12.913
	Prepayments	0	296.696
	Total receivables	976.680	309.609
	Cash and cash equivalents	2.297.173	5.649.773
	Total current assets	3.273.853	5.959.382
	Total assets	19.984.393	20.331.792

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities	<u>2023</u>	<u>2022</u>
<u>Note</u>		
Equity		
Contributed capital	125.000	125.000
Reserve for net revaluation according to the equity method	897.530	2.525.378
Retained earnings	18.671.404	17.608.280
Total equity	<u>19.693.934</u>	<u>20.258.658</u>
 Liabilities other than provisions		
Trade payables	0	31.250
Payables to shareholders and management	277.459	28.879
Other payables	13.000	13.005
Total short term liabilities other than provisions	<u>290.459</u>	<u>73.134</u>
 Total liabilities other than provisions	<u>290.459</u>	<u>73.134</u>
 Total equity and liabilities	<u>19.984.393</u>	<u>20.331.792</u>
 1		
Uncertainties concerning recognition and measurement		
 5		
Charges and security		
 6		
Contingencies		

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for net revalua-tion according to the eq-uity method	Retained earnings	Total
Equity 1 January 2022	125.000	1.165.874	23.163.389	24.454.263
Share of profit or loss	0	1.359.504	-5.555.109	-4.195.605
Extraordinary dividend adopted during the financial year	0	0	7.095.726	7.095.726
Distributed extraordinary dividend adopted during the financial year	0	0	-7.095.726	-7.095.726
Equity 1 January 2022	125.000	2.525.378	17.608.280	20.258.658
Share of profit or loss	0	-1.627.848	1.031.427	-596.421
Extraordinary dividend adopted during the financial year	0	0	1.775.000	1.775.000
Distributed extraordinary dividend adopted during the financial year	0	0	-1.775.000	-1.775.000
Exchange rate adjustment, participating interest	0	0	31.697	31.697
	125.000	897.530	18.671.404	19.693.934

Notes

All amounts in DKK.

1. Uncertainties concerning recognition and measurement

The German subsidiary, Electrostar GmbH, is recognized on the basis of internal management account prepared by the German accountant. The official annual report prepared by the auditors in Germany are not finished at the moment.

	<u>2023</u>	<u>2022</u>
2. Income from investment in participating interest		
Income from Electrostar GmbH	-1.659.545	1.359.504
Income from Earn Out agreement	<u>2.905.882</u>	<u>1.583.431</u>
	<u>1.246.337</u>	<u>2.942.935</u>
	<u>31/12 2023</u>	<u>31/12 2022</u>
3. Land and buildings		
Additions during the year	<u>3.965.978</u>	<u>0</u>
Cost end of period	<u>3.965.978</u>	<u>0</u>
Carrying amount, end of period	<u>3.965.978</u>	<u>0</u>

Notes

All amounts in DKK.

	<u>31/12 2023</u>	<u>31/12 2022</u>
4. Investment in participating interest		
Cost opening balance	11.847.032	11.847.032
Cost end of period	<u>11.847.032</u>	<u>11.847.032</u>
Revaluations, opening balance opening balance	2.525.378	1.165.874
Net profit or loss for the year before amortisation of goodwill	-1.659.545	1.359.504
Exchange rate difference	31.697	0
Revaluations end of period	<u>897.530</u>	<u>2.525.378</u>
Carrying amount, end of period	<u>12.744.562</u>	<u>14.372.410</u>

Financial highlights for the enterprise according to the latest approved annual report

	Equity interest	Equity	Results for the year	Carrying amount, Producteers Holding ApS
Electrostar GmbH, Germany	25 %	<u>50.978.246</u>	<u>-6.638.179</u>	<u>12.744.562</u>
		<u>50.978.246</u>	<u>-6.638.179</u>	<u>12.744.562</u>

5. Charges and security

None.

6. Contingencies

Contingent liabilities

The company guarantees the associated companies' involvement with Sydbank.

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.

Anne Mette Solvang

Navnet returneret af dansk MitID var:

Anne Mette Solvang

Direktør

ID: 57903121-160f-417a-9388-d009fc63f88b

Tidspunkt for underskrift: 15-07-2024 kl.: 12:36:30

Underskrevet med MitID



Søren H. Andersen

Navnet returneret af dansk MitID var:

Søren Høgsgaard Andersen

Revisor

ID: f94338e1-8e0d-4ea8-872c-52e6faf3a647

CVR-match med dansk MitID

Tidspunkt for underskrift: 15-07-2024 kl.: 12:40:20

Underskrevet med MitID



Anne Mette Solvang

Navnet returneret af dansk MitID var:

Anne Mette Solvang

Dirigent

ID: 57903121-160f-417a-9388-d009fc63f88b

Tidspunkt for underskrift: 15-07-2024 kl.: 13:29:03

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