

Devron Nordic ApS

**Jernbanegade 15
6200 Aabenraa**

CVR no. 39 13 30 83

Annual report for 2023

Adopted at the annual general meeting on 8 July 2024

Per Rene Frederiksen
chairman

Table of contents

	Page
Statements	
Statement by management on the annual report	1
Independent auditor's report on extended review	2
Management's review	
Company details	5
Management's review	6
Financial statements	
Income statement 1 January 2023 - 31 December 2023	7
Balance sheet at 31 December 2023	8
Statement of changes in equity	10
Notes	11
Accounting policies	14

Statement by management on the annual report

The executive board has today discussed and approved the annual report of Devron Nordic ApS for the financial year 1 January - 31 December 2023.

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

In my opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

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

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

Aabenraa, 8 July 2024

Executive board

Per Rene Frederiksen

Independent auditor's report on extended review

To the shareholder of Devron Nordic ApS

Opinion

We have performed extended review of the financial statements of Devron Nordic 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 performed work it is our opinion, that 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 Opinion

We conducted our extended review in accordance with the Danish Business Authority's standard on auditor's report for small enterprises and FSR - danish auditors' standard on extended review of financial statements in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor'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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which states that there could be indications of significant uncertainty about the company's ability to continue operating.

As can be seen from note 1, the company's main creditor is the parent company. An agreement has been concluded with the parent company on a comprehensive plan for settling the debt. Based on this and on the presented financial plans, the annual accounts are presented on the assumption of going concern. Our opinion is not modified regarding this matter.

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.

Independent auditor's report on extended review

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 responsibility for the extended review of the financial statements

Our responsibility is to express a conclusion on the accompanying financial statements. This requires us to perform procedures in order to obtain limited assurance for our conclusion on these financial statements, and in addition perform specifically required supplementary procedures in order to obtain additional assurance for our conclusion.

An extended review of financial statements includes procedures primarily consisting of making inquiries of management and others within the entity, as appropriate, applying analytical procedures and the specifically required supplementary procedures, and evaluating 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 these financial statements.

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 extended review 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 extended review, or otherwise appears to be materially misstated.

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

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

Independent auditor's report on extended review

Viborg, 8 July 2024

Andersen Revision
Statsautoriseret Revisionsaktieselskab
CVR no. 32 32 67 06

Hans Peter Andersen
State Authorised Public Accountant
mne32181

Company details

The company

Devron Nordic ApS
Jernbanegade 15
6200 Aabenraa

Telephone: 40527035

CVR no.: 39 13 30 83

Reporting period: 1 January - 31 December 2023

Domicile: Aabenraa

Executive board

Per Rene Frederiksen

Auditors

Andersen Revision
Statsautoriseret Revisionsaktieselskab
Vestervangsvej 14
8800 Viborg

Bankers

Danske Bank
Gravene 2
6100 Haderslev

Management's review

Business review

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

Recognition and measurement uncertainties

Financial review

The company's income statement for the year ended 31 December 2023 shows a loss of DKK 4.447.560, and the balance sheet at 31 December 2023 shows negative equity of DKK 3.976.659.

The result for the year means that the company's capital has been lost and this has led to increased pressure on the company's liquidity.

The company's main creditor is the parent company.

An agreement has been concluded with the parent company on a comprehensive plan for settling the debt. This plan includes a significant forgiveness of debt together with a realistic settlement of the remaining debt.

Based on this and on the presented financial plans, the annual accounts are presented on the assumption of going concern.

Significant events occurring after the end of the financial year

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

Income statement 1 January 2023 - 31 December 2023

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> TDKK
Gross profit		-1.459.404	1.558
Staff costs	1	<u>-1.546.711</u>	<u>-1.738</u>
Profit/loss before amortisation/depreciation and impairment losses		-3.006.115	-180
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-72.875	-305
Other operating costs		<u>-43.857</u>	<u>-11</u>
Profit/loss before net financials		-3.122.847	-496
Impairment losses on financial assets		-865.038	0
Financial costs		<u>-2.402</u>	<u>-8</u>
Profit/loss before tax		-3.990.287	-504
Tax on profit/loss for the year	2	<u>-457.273</u>	<u>111</u>
Profit/loss for the year		<u>-4.447.560</u>	<u>-393</u>
Recommended appropriation of profit/loss			
Retained earnings		<u>-4.447.560</u>	<u>-393</u>
		<u>-4.447.560</u>	<u>-393</u>

Balance sheet at 31 December 2023

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> TDKK
Assets			
Goodwill		<u>0</u>	<u>0</u>
Intangible assets	3	<u>0</u>	<u>0</u>
Other fixtures and fittings, tools and equipment	4	367.121	457
Leasehold improvements	4	<u>0</u>	<u>0</u>
Tangible assets		<u>367.121</u>	<u>457</u>
Total non-current assets		<u>367.121</u>	<u>457</u>
Finished goods and goods for resale		<u>2.911.324</u>	<u>5.159</u>
Stocks		<u>2.911.324</u>	<u>5.159</u>
Trade receivables		1.750	10
Other receivables		77.500	943
Deferred tax asset		150.000	607
Prepayments		<u>60.703</u>	<u>34</u>
Receivables		<u>289.953</u>	<u>1.594</u>
Cash at bank and in hand		<u>264.665</u>	<u>271</u>
Total current assets		<u>3.465.942</u>	<u>7.024</u>
Total assets		<u><u>3.833.063</u></u>	<u><u>7.481</u></u>

Balance sheet at 31 December 2023

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> TDKK
Equity and liabilities			
Share capital		1.000.000	1.000
Retained earnings		-4.976.659	-529
Equity		-3.976.659	471
Trade payables		3.513	81
Payables to subsidiaries		7.381.441	6.127
Other payables		424.768	802
Total current liabilities		7.809.722	7.010
Total liabilities		7.809.722	7.010
Total equity and liabilities		3.833.063	7.481
Uncertainty in the recognition and measurement	6		
Contingent liabilities	7		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained ear- nings</u>	<u>Total</u>
Equity at 1 January 2023	1.000.000	-529.099	470.901
Net profit/loss for the year	0	-4.447.560	-4.447.560
Equity at 31 December 2023	<u>1.000.000</u>	<u>-4.976.659</u>	<u>-3.976.659</u>

Notes

	<u>2023</u> DKK	<u>2022</u> TDKK
1 Staff costs		
Wages and salaries	1.268.621	1.554
Pensions	250.553	147
Other social security costs	<u>27.537</u>	<u>37</u>
	<u>1.546.711</u>	<u>1.738</u>
Number of fulltime employees on average	<u>2</u>	<u>4</u>
2 Tax on profit/loss for the year		
Deferred tax for the year	<u>457.273</u>	<u>-111</u>
	<u>457.273</u>	<u>-111</u>
3 Intangible assets		<u>Goodwill</u>
Cost at 1 January 2023		<u>830.000</u>
Cost at 31 December 2023		<u>830.000</u>
Impairment losses and amortisation at 1 January 2023		<u>830.000</u>
Impairment losses and amortisation at 31 December 2023		<u>830.000</u>
Carrying amount at 31 December 2023		<u>0</u>

Notes

4 Tangible assets

	Other fixtures and fittings, tools and equipment	Leasehold im- provements
Cost at 1 January 2023	509.459	356.420
Additions for the year	349.000	0
Disposals for the year	-389.754	0
Cost at 31 December 2023	<u>468.705</u>	<u>356.420</u>
Impairment losses and depreciation at 1 January 2023	53.356	356.420
Depreciation for the year	72.875	0
Reversal of impairment and depreciation of sold assets	-24.647	0
Impairment losses and depreciation at 31 December 2023	<u>101.584</u>	<u>356.420</u>
Carrying amount at 31 December 2023	<u>367.121</u>	<u>0</u>

5 Uncertainty about the continued operation (going concern)

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

The company's main creditor is the parent company.

An agreement has been concluded with the parent company on a comprehensive plan for settling the debt. This plan includes a significant forgiveness of debt together with a realistic settlement of the remaining debt.

Based on this and on the presented financial plans, the annual accounts are presented on the assumption of going concern.

6 Uncertainty in the recognition and measurement

The company has recognized a deferred tax asset of DKK 1.295 thousand. Recognition and measurement of this tax asset is based on management's assessment of the company's expected earnings within the next 1-5 years.

Notes

7 **Contingent liabilities**

The company has entered into operating lease of cars and vehicles. The lease agreements are interminable in 1 year. The total remaining lease obligation amounts to DKK 9 thousand.

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

Accounting policies

The annual report of Devron Nordic ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

The annual report for 2023 is presented in DKK

Income statement

Gross profit

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

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

Revenue

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

Staff costs

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

Depreciation, amortisation and impairment losses

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

Financial income and expenses

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

Tax on profit/loss for the year

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

Accounting policies

Balance sheet

Intangible assets

Goodwill

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

Tangible assets

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

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

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

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

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

Assets costing less than DKK 32.000 are expensed in the year of acquisition.

Stocks

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

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

Receivables

Receivables are measured at amortised cost.

Prepayments

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

Accounting policies

Income tax and deferred tax

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

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

Liabilities

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