
Francis Automotive ApS

C/O Francis Family fund, Gl Hovedgade 1A, DK-2970
Hørsholm

Annual Report for 1 October 2022 - 30 September 2023

CVR No. 40 74 34 72

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 27/3 2024

Nicholas Peter Francis
Chairman of the
general meeting



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Management's statement

The Executive Board has today considered and adopted the Annual Report of Francis Automotive ApS for the financial year 1 October 2022 - 30 September 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 financial position at 30 September 2023 of the Company and of the results of the Company operations 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 Annual Report be adopted at the Annual General Meeting.

Hørsholm, 27 March 2024

Executive Board

Nicholas Peter Francis

The Annual General Meeting has decided that the Financial Statements for next year are not to be subject to any audit.

Independent Auditor's report

To the shareholder of Francis Automotive ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 September 2023 and of the results of the Company's operations for the financial year 1 October 2022 - 30 September 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Francis Automotive ApS for the financial year 1 October 2022 - 30 September 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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 Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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 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.

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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 27 March 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Ulrik Ræbild
State Authorised Public Accountant
mne33262

Company information

The Company

Francis Automotive ApS
C/O Francis Family fund
Gl Hovedgade 1A
DK-2970 Hørsholm

CVR No: 40 74 34 72

Financial period: 1 October 2022 - 30 September 2023

Incorporated: 27 August 2019

Financial year: 5th financial year

Municipality of reg. office: Hørsholm

Executive Board

Nicholas Peter Francis

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's review

Key activities

The company's purpose is to conduct business within trade, development and service within the automotive industry as well as related activities.

Development in the year

The income statement of the Company for 2022/23 shows a loss of DKK 404,102, and at 30 September 2023 the balance sheet of the Company shows negative equity of DKK 237,336.

Capital resources

The company's capital owners have issued a letter of financial support, in which the capital owners guarantee to make the necessary capital available to the company, so that the company can meet its obligations as they fall due. The letter of financial support from the capital owners is valid until and including 31 March 2025.

On this basis, the management assesses that the company's capital availability is sufficient, which is why the annual accounts are presented on the assumption of continued operations.

Reference is made to note 1 for further information

Loss of share capital

The company has lost more than 50% of the company share capital and is therefore covered by the capital loss provisions in the Danish Companies Act. At the upcoming general meeting, the management will give an update of the financial situation and present how the share capital is expected to be re-established in the event of future positive earnings.

Subsequent events

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

Income statement 1 October 2022 - 30 September 2023

	Note	2022/23 DKK	2021/22 DKK
Gross loss		-255,498	-32,207
Staff expenses	2	0	-158,999
Depreciation and impairment losses of property, plant and equipment		-201,146	-194,016
Profit/loss before financial income and expenses		-456,644	-385,222
Financial expenses	3	-61,356	-15,388
Profit/loss before tax		-518,000	-400,610
Tax on profit/loss for the year	4	113,898	90,285
Net profit/loss for the year		-404,102	-310,325

Distribution of profit

	2022/23 DKK	2021/22 DKK
Proposed distribution of profit		
Retained earnings	-404,102	-310,325
	-404,102	-310,325

Balance sheet 30 September 2023

Assets

	Note	2022/23 DKK	2021/22 DKK
Development projects in progress		1,811,053	1,401,489
Intangible assets	5	1,811,053	1,401,489
Other fixtures and fittings, tools and equipment		187,424	344,070
Leasehold improvements		58,769	103,269
Property, plant and equipment	6	246,193	447,339
Fixed assets		2,057,246	1,848,828
Other receivables		57,852	38,335
Prepayments		0	2,922
Receivables		57,852	41,257
Cash at bank and in hand		539,443	203,599
Current assets		597,295	244,856
Assets		2,654,541	2,093,684

Balance sheet 30 September 2023

Liabilities and equity

	Note	2022/23	2021/22
		DKK	DKK
Share capital		40,000	40,000
Reserve for development costs		1,412,621	990,434
Retained earnings		-1,689,957	-863,667
Equity		<u>-237,336</u>	<u>166,767</u>
Provision for deferred tax		84,228	198,126
Provisions		<u>84,228</u>	<u>198,126</u>
Trade payables		53,500	70,000
Payables to group enterprises		24,000	0
Payables to associates		2,730,149	1,658,791
Short-term debt		<u>2,807,649</u>	<u>1,728,791</u>
Debt		<u>2,807,649</u>	<u>1,728,791</u>
Liabilities and equity		<u>2,654,541</u>	<u>2,093,684</u>
Going concern	1		
Contingent assets, liabilities and other financial obligations	7		
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Statement of changes in equity

	Share capital	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 October	40,000	990,434	-863,668	166,766
Development costs for the year	0	422,187	-422,187	0
Net profit/loss for the year	0	0	-404,102	-404,102
Equity at 30 September	40,000	1,412,621	-1,689,957	-237,336

Notes to the Financial Statements

1. Going concern

The company's capital owners have issued a letter of financial support, in which the capital owners guarantee to make the necessary capital available to the company, so that the company can meet its obligations as they fall due. The letter of financial support from the capital owners is valid until and including 31 March 2025.

On this basis, the management assesses that the company's capital availability is sufficient, which is why the annual accounts are presented on the assumption of continued operations.

	<u>2022/23</u>	<u>2021/22</u>
	DKK	DKK
2. Staff Expenses		
Wages and salaries	0	154,870
Other social security expenses	0	737
Other staff expenses	0	3,392
	<u>0</u>	<u>158,999</u>
Average number of employees	<u>0</u>	<u>1</u>

	<u>2022/23</u>	<u>2021/22</u>
	DKK	DKK
3. Financial expenses		
Interest paid to group enterprises	61,356	10,952
Other financial expenses	0	4,415
Exchange adjustments, expenses	0	21
	<u>61,356</u>	<u>15,388</u>

	<u>2022/23</u>	<u>2021/22</u>
	DKK	DKK
4. Income tax expense		
Deferred tax for the year	-113,898	-90,285
	<u>-113,898</u>	<u>-90,285</u>

Notes to the Financial Statements

5. Intangible fixed assets

	Develop- ment projects in progress
	DKK
Cost at 1 October	1,401,489
Additions for the year	409,564
Cost at 30 September	<u>1,811,053</u>
Carrying amount at 30 September	<u>1,811,053</u>

Development projects relate to the development of a new car for later sale in the company's industry. The project are not yet completed and is expected to be finalized around 2025. The project are progressing as planned.

6. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 October	749,695	220,382
Cost at 30 September	<u>749,695</u>	<u>220,382</u>
Impairment losses and depreciation at 1 October	405,625	117,113
Depreciation for the year	149,939	44,076
Transfers for the year	6,707	424
Impairment losses and depreciation at 30 September	<u>562,271</u>	<u>161,613</u>
Carrying amount at 30 September	<u>187,424</u>	<u>58,769</u>
Amortised over	<u>3-5 years</u>	<u>3-5 years</u>

7. Contingent assets, liabilities and other financial obligations

Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of NPF Technologies ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

8. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
NPF Technologies ApS	Hørsholm

Notes to the Financial Statements

9. Accounting policies

The Annual Report of Francis Automotive ApS for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022/23 are presented in DKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2022/23 of hgfhfg, the Company has not prepared consolidated financial statements.

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.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

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

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

Income statement

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Gross loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of work on own account recognised in assets and other external expenses.

Notes to the Financial Statements

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. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the 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 NPF Technologies ApS. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Capitalized development costs are measured at cost less accumulated depreciation and impairment losses or recoverable amount, whichever is lower.

Development costs can include salaries that can be directly or indirectly attributed to the company's development activity.

Development costs that are clearly defined and identifiable where the degree of technical utilization, sufficient resources and a potential future market or development opportunity in the company can be demonstrated, and where the intention to manufacture, market or use the project are recognized as intangible fixed assets, if sufficient assurance that the capital value of future earnings can cover production, sales and administration costs as well as development costs themselves. Development costs that do not meet the criteria for recognition in the balance sheet are recognized as costs in the income statement as the costs are incurred.

Capitalized development costs are depreciated from the time of completion on a straight-line basis over the period in which the development work is expected to generate economic benefits. However, the depreciation period is a maximum of 5 years.

An amount corresponding the capitalized development costs in the balance sheet is recognized in the "reserve for development costs" under equity. The reserve decreases in value as a result of depreciation and tax.

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.

Notes to the Financial Statements

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:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

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

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.

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

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