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CVR no. 20 22 26 70

PLS NORDIC A/S
LOGISTIKVEJ 25A HØJME, 5250 ODENSE SV
ANNUAL REPORT
1 JULY 2023 - 30 JUNE 2024

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 22 October 2024**

Hendricus Simon Johannes de Brabander

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 43 53 04 37

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COMPANY DETAILS

Company	PLS NORDIC A/S Logistikvej 25A Højme 5250 Odense SV CVR No.: 43 53 04 37 Established: 20 September 2022 Municipality: Odense Financial Year: 1 July 2023 - 30 June 2024
Board of Directors	Hendricus Simon Johannes de Brabander, chairman Helge Normann Lervik Ringo Cornelis Johannes Veenman Bruno Rahbek
Executive Board	Bruno Rahbek
Auditor	BDO Statsautoriseret revisionsaktieselskab Fælledvej 1 5000 Odense C
Bank	Danske Bank Albani Torv 2 5000 Odense

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of PLS NORDIC A/S for the financial year 1 July 2023 - 30 June 2024.

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

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 30 June 2024 and of the results of the Company's operations for the financial year 1 July 2023 - 30 June 2024.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Odense, 22 October 2024

Executive Board

Bruno Rahbek

Board of Directors

Hendricus Simon Johannes de
Brabander
Chairman

Helge Normann Lervik

Ringo Cornelis Johannes Veenman

Bruno Rahbek

THE INDEPENDENT AUDITOR'S REPORT

To the Shareholder of PLS NORDIC A/S

Conclusion

We have performed an extended review of the Financial Statements of PLS NORDIC A/S for the financial year 1 July 2023 - 30 June 2024, which comprise income statement, Balance Sheet, statement of changes in equity and notes, including a summary of significant accounting policies. 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 30 June 2024 and of the results of the Company's operations for the financial year 1 July 2023 - 30 June 2024 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 "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' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements 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.

Auditor'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.

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 Commentary

Management is responsible for the Management Commentary.

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

THE INDEPENDENT AUDITOR'S REPORT

In connection with our extended review of the Financial Statements, our responsibility is to read the Management Commentary and, in doing so, consider whether the Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management Commentary 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 Commentary.

Odense, 22 October 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Morten Svensson
State Authorised Public Accountant
MNE no. mne34505

MANAGEMENT COMMENTARY

Principal activities

The principal activities comprise purchase and sale of plants and related activities.

Unusual matters

The company has lost over half of its share capital. Pursuant to Section 119 of the Companies Act, the company's management has outlined a plan where the expectation is that the future earnings will restore the company's capital.

Development in activities and financial and economic position

The company has received a group contribution of DKK 1.1 million during the financial year.

The company's result for the year is negative with DKK 1,159 thousand.

PLS Nordic A/S has been in a start-up phase for the past 2 years, and as a result thereof there have been negative results.

As in previous years, the company is dependent on an increase in turnover, so that liquidity is created to finance the company's operations.

The management has prepared a budget for the financial year 2024/25, which shows a positive result of DKK 657,000, where a significant assumption is that revenues will increase by 19% and an improvement in the gross profit from 2,4%.

The management has, based on the budget, prepared a cashflow forecast for the remaining part of the financial year 2024/25, the cashflow forecast shows that the current credit limits are sufficient. The shareholders have agreed that, if necessary, they can shorten the payment terms for the products purchased from PLS Nordic A/S upon request, which they have historically practiced.

It is also an essential assumption for the implementation of the budgets that credit facilities in the group are maintained on the current terms in financial institutions. The current credit facilities with the financial institution are not extended before financial yearend 2023/24, but the management expects this to be a formality and therefore submits the annual report with the going concern principle.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

INCOME STATEMENT 1 JULY - 30 JUNE

	Note	2023/24 DKK	2022/23 DKK
GROSS PROFIT		2,059,918	1,702,956
Staff costs.....	1	-3,193,668	-2,537,189
Depreciation, amortisation and impairment losses.....		-134,500	-102,750
OPERATING LOSS		-1,268,250	-936,983
Other financial income.....	2	8,895	831
Other financial expenses.....	3	-96,144	-64,359
LOSS BEFORE TAX		-1,355,499	-1,000,511
Tax on profit/loss for the year.....	4	196,407	210,023
LOSS FOR THE YEAR		-1,159,092	-790,488
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		-1,159,092	-790,488
TOTAL		-1,159,092	-790,488

BALANCE SHEET AT 30 JUNE

ASSETS	Note	2024 DKK	2023 DKK
Goodwill.....		32,500	42,500
Intangible assets.....	5	32,500	42,500
Other plant, machinery tools and equipment.....		396,500	539,750
Property, plant and equipment.....	6	396,500	539,750
Rent deposit and other receivables.....		172,415	171,541
Financial non-current assets.....	7	172,415	171,541
NON-CURRENT ASSETS.....		601,415	753,791
Finished goods and goods for resale.....		58,800	0
Inventories.....		58,800	0
Trade receivables.....		1,662,459	1,737,275
Receivables from group enterprises.....		389,113	577,720
Deferred tax assets.....		406,430	210,023
Other receivables.....		336,348	406,377
Prepayments.....		122,156	158,558
Receivables.....		2,916,506	3,089,953
Cash and cash equivalents.....		597,036	736,751
CURRENT ASSETS.....		3,572,342	3,826,704
ASSETS.....		4,173,757	4,580,495

BALANCE SHEET AT 30 JUNE

EQUITY AND LIABILITIES	Note	2024 DKK	2023 DKK
Share Capital.....		1,100,000	1,000,000
Retained earnings.....		-849,580	-790,488
EQUITY.....		250,420	209,512
Payables to group enterprises.....		556,183	1,138,014
Payables to associated enterprises.....		557,129	1,115,335
Non-current liabilities.....	8	1,113,312	2,253,349
Bank debt.....		757,613	2,225
Trade payables.....		1,524,159	1,755,701
Debt to Group companies.....		100,731	906
Other liabilities.....		427,522	358,802
Current liabilities.....		2,810,025	2,117,634
LIABILITIES.....		3,923,337	4,370,983
EQUITY AND LIABILITIES.....		4,173,757	4,580,495
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EQUITY

DKK	Share Capital	Retained earnings	Total
Equity at 1 July 2023.....	1,000,000	-790,488	209,512
Proposed profit allocation.....		-1,159,092	-1,159,092
Capital increase.....	100,000	1,100,000	1,200,000
Equity at 30 June 2024.....	1,100,000	-849,580	250,420

NOTES

	2023/24 DKK	2022/23 DKK	Note
	2023/24 DKK	2022/23 DKK	
Staff costs			1
Average number of full time employees	6	5	
Wages and salaries.....	3,051,520	2,473,936	
Pensions.....	12,000	9,000	
Social security costs.....	54,227	30,865	
Other staff costs.....	75,921	23,388	
	3,193,668	2,537,189	
Other financial income			2
Other interest income.....	8,895	831	
	8,895	831	
Other financial expenses			3
Group enterprises.....	30,169	27,940	
Other interest expenses.....	65,975	36,419	
	96,144	64,359	
Tax on profit/loss for the year			4
Adjustment of deferred tax.....	-196,407	-210,023	
	-196,407	-210,023	
Intangible assets			5
DKK		Goodwill	
Cost at 1 July 2023.....		50,000	
Cost at 30 June 2024.....		50,000	
Amortisation at 1 July 2023.....		7,500	
Amortisation for the year.....		10,000	
Amortisation at 30 June 2024.....		17,500	
Carrying amount at 30 June 2024.....		32,500	

NOTES

Property, plant and equipment		Note
		6
DKK	Other plant, machinery tools and equipment	
Cost at 1 July 2023.....	635,000	
Disposals.....	-25,000	
Cost at 30 June 2024.....	610,000	
Depreciation and impairment losses at 1 July 2023.....	95,250	
Reversal of depreciation of assets disposed of.....	-6,250	
Depreciation for the year.....	124,500	
Depreciation and impairment losses at 30 June 2024.....	213,500	
Carrying amount at 30 June 2024.....	396,500	

Financial non-current assets		Note
		7
DKK	Rent deposit and other receivables	
Cost at 1 July 2023.....	171,541	
Additions.....	874	
Cost at 30 June 2024.....	172,415	
Carrying amount at 30 June 2024.....	172,415	

Long-term liabilities		Note		
		8		
DKK	30/6 2024 total liabilities	Debt outstanding after 5 years	30/6 2023 total liabilities	
Payables to group enterprises.....	556,183	0	556,183	1,138,014
Payables to associated enterprises.....	557,129	0	557,129	1,115,335
	1,113,312	0	1,113,312	2,253,349

Contingencies etc. **9**
Contingent assets
 The company has an unrecognized deferred tax asset of DKK 97,658. The amount is not recognized in the balance sheet due to uncertainty about the company's ability to use the asset.

Contingent liabilities
 The company has entered into leasing agreements with a remaining term of up to 30 months. The leasing contracts have a total residual leasing obligation of DKK 227,700.

The company has entered into rent obligations, which at the time of the balance sheet amount to DKK 172,416 in the notice period.

NOTES

Note

Charges and securities

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As security for bank debt of DKK 757,613, the company has provided a corporate mortgage of a nominal DKK 2,000,000. The corporate mortgage includes the following assets, the accounting value of which on the balance sheet date is:

Other plant, machinery tools and equipment.....	396,500
Trade receivables.....	1,662,459
Other receivables.....	336,348

Going concern assumptions

11

PLS Nordic A/S has been in a start-up phase for the past 2 years, and as a result thereof there have been negative results.

As in previous years, the company is dependent on an increase in turnover, so that liquidity is created to finance the company's operations.

The management has prepared a budget for the financial year 2024/25, which shows a positive result of DKK 657,000, where a significant assumption is that revenues will increase by 19% and an improvement in the gross profit from 2,4%.

The management has, based on the budget, prepared a cashflow forecast for the remaining part of the financial year 2024/25, the cashflow forecast shows that the current credit limits are sufficient. The shareholders have agreed that, if necessary, they can shorten the payment terms for the products purchased from PLS Nordic A/S upon request, which they have historically practiced.

It is also an essential assumption for the implementation of the budgets that credit facilities in the group are maintained on the current terms in financial institutions. The current credit facilities with the financial institution are not extended before financial yearend 2023/24, but the management expects this to be a formality and therefore submits the annual report with the going concern principle.

Based on these going concern assumptions, management submits the annual report with the going concern principle.

ACCOUNTING POLICIES

The Annual Report of PLS NORDIC A/S for 2023/24 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue

Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

ACCOUNTING POLICIES

BALANCE SHEET

Intangible fixed assets

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 5 years. The period of amortisation is determined based on an assessment of the acquired Company's position in the market and earnings profile, and the industry-specific conditions.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets

Other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	<i>Useful life</i>	<i>Residual value</i>
Other plant, fixtures and equipment.....	3-5 years	0-20 %

Financial non-current assets

Deposits include rental deposits which are recognised and measured at cost. Deposits are not depreciated.

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

ACCOUNTING POLICIES

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct production cost.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff 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 under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

ACCOUNTING POLICIES

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.