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**Duell Corporation**

**FINANCIAL STATEMENTS AND  
BOARD OF DIRECTORS' REPORT  
1.9.2022-31.8.2023**

**Duell Corporation**

Business ID: 2929424-1

Registered office: Mustasaari, Finland

**Financial statements and Board of Director's report for period 1.9.2022-31.8.2023**

	Page
Board of Directors' report	1-5
Financial statements	
Parent company and Consolidated Group Income Statement	6
Parent company and Consolidated Group Balance Sheet	7-8
Parent company and Consolidated Group Cash Flow Statement	9
Notes	10-16
Signatures and Auditor's confirmation	17
List of ledgers and book-keeping materials	18

	Group 01.09.2022	Group 1.9.2021	Parent company 01.09.2022	Parent company 1.9.2021
Currency: EURO	- 31.8.2023	- 31.8.2022	- 31.8.2023	- 31.8.2022
<b>NET SALES</b>	<b>118 832 204</b>	<b>123 991 276</b>	<b>708 902</b>	<b>572 102</b>
Other operating income	221 009	411 226	0	0
Materials and services				
Materials and consumables				
Purchases during the financial period	-81 350 659	-94 966 909	0	0
Change in inventories, increase (-) or decrease (+)	-2 886 184	6 551 360	0	0
External services	-6 251 452	-5 968 822	0	0
Materials and services, total	-90 488 295	-94 384 371	0	0
Personnel expenses				
Wages and salaries	-9 922 214	-8 821 449	-503 380	-422 699
Other personnel expenses				
Pension expenses	-1 267 969	-949 241	-60 995	-57 441
Other social expenses	-1 569 357	-1 469 934	-3 584	-796
Personnel expenses, total	-12 759 540	-11 240 624	-567 960	-480 936
Depreciation according to plan	-3 265 499	-2 479 094	0	0
Other operating expenses	-11 498 817	-11 394 246	-660 542	-2 437 599
<b>OPERATING PROFIT (-LOSS)</b>	<b>1 041 062</b>	<b>4 904 167</b>	<b>-519 599</b>	<b>-2 346 433</b>
Financial income and expenses				
Other Interest and other financial income				
from Group companies	0	0	610 927	412 348
from others	1 613 862	1 078 244	740 171	373 247
Interest and other financial expenses				
from Group companies	0	0	-2 574	0
from others	-5 044 345	-2 989 104	-640 041	-593 919
Financial income and expenses, total	-3 430 483	-1 910 860	708 483	191 676
<b>PROFIT (-LOSS) BEFORE APPROPRIATIONS AND TAXES</b>	<b>-2 389 421</b>	<b>2 993 307</b>	<b>188 884</b>	<b>-2 154 757</b>
Appropriations				
Group contribution	0	0	0	1 855 287
Income taxes				
Taxes for the financial period	-500 522	-915 775	0	-1 176
Changes in deferred taxes	62 535	-149 093	0	0
Income taxes, total	-437 987	-1 064 868	0	-1 176
<b>PROFIT (-LOSS) FOR THE FINANCIAL YEAR</b>	<b>-2 827 408</b>	<b>1 928 439</b>	<b>188 884</b>	<b>-300 646</b>

Currency: EURO	Group 31.08.2023	Group 31.08.2022	Parent company 31.08.2023	Parent company 31.08.2022
<b>ASSETS</b>				
<b>FIXED ASSETS</b>				
Intangible assets				
Intangible rights	418 587	702 348	0	0
Other intangible assets	758 071	338 155	0	0
Assets under construction	1 826 249	283 491	0	0
Goodwill	21 345 323	16 370 652	0	0
	<u>24 348 230</u>	<u>17 694 646</u>	0	0
Tangible assets				
Machinery and equipment	848 313	935 372	0	0
Investments				
Holdings within companies in the same group	0	0	20 889 340	20 889 340
Receivables in companies in the same	0	0	23 000 000	16 000 000
<b>NON -CURRENT ASSETS, TOTAL</b>	<b>25 196 543</b>	<b>18 630 018</b>	<b>43 889 340</b>	<b>36 889 340</b>
<b>CURRENT ASSETS</b>				
Current assets				
Inventories, Finished products / Goods	49 502 932	47 879 508	0	0
Advance payments	945 207	3 366 717	0	0
	<u>50 448 139</u>	<u>51 246 225</u>	0	0
Receivables				
Non-current				
Other non-current receivables	158 558	166 542	0	0
Current				
Trade receivables	15 757 656	20 306 615	91 271	94 282
Loan receivables	2 800	3 500	13 613	28 038
Other current receivables	544 309	200 203	0	77 160
Pre-paid expenses and accrued income	988 467	848 919	2 538 582	2 423 213
	<u>17 293 232</u>	<u>21 359 237</u>	2 643 466	2 622 694
Cash and cash equivalents	2 386 197	4 066 317	0	0
<b>CURRENT ASSETS, TOTAL</b>	<b>70 286 126</b>	<b>76 838 321</b>	<b>2 643 466</b>	<b>2 622 694</b>
<b>ASSETS, TOTAL</b>	<b>95 482 669</b>	<b>95 468 339</b>	<b>46 532 806</b>	<b>39 512 033</b>

	Group	Group	Parent company	Parent company
Currency: EURO	31.08.2023	31.08.2022	31.08.2023	31.08.2022
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Capital and reserves				
Share capital	80 000	80 000	80 000	80 000
Other reserves				
Reserve for invested unrestricted equity	32 887 037	24 232 507	32 887 037	24 232 507
Retained earnings	6 743 289	5 612 331	-1 172 370	-871 724
Profit (-loss) for the financial year	-2 827 408	1 928 439	188 884	-300 646
<b>EQUITY, TOTAL</b>	<b>36 882 918</b>	<b>31 853 277</b>	<b>31 983 551</b>	<b>23 140 137</b>
<b>LIABILITIES</b>				
Non-current				
Loans from financial institutions	32 148 045	45 497 592	11 345 545	13 011 478
Deferred tax liabilities	17 448	78 370	0	0
Other liabilities	96 872	92 815	0	0
	32 262 365	45 668 777	11 345 545	13 011 478
Current				
Loans from financial institutions	2 198 000	3 140 000	1 183 000	1 690 000
Trade payables	12 073 417	7 592 965	1 322 552	1 524 116
Other current liabilities	9 144 812	3 976 071	73 721	21 506
Accrued expenses and deferred income	2 921 156	3 237 248	624 437	124 795
	26 337 385	17 946 284	3 203 709	3 360 418
<b>LIABILITIES, TOTAL</b>	<b>58 599 750</b>	<b>63 615 061</b>	<b>14 549 255</b>	<b>16 371 896</b>
<b>EQUITY AND LIABILITIES, TOTAL</b>	<b>95 482 669</b>	<b>95 468 339</b>	<b>46 532 806</b>	<b>39 512 033</b>

Currency: EURO	Group 31.08.2023	Group 31.08.2022	Parent company 31.08.2023	Parent company 31.08.2022
<b><i>Cash flow from operating activities</i></b>				
Operating profit (-loss)	1 041 061	4 904 168	-519 599	-2 346 433
Depreciation according to plan	905 102	730 789	0	0
Goodwill amortization	2 360 397	1 748 305	0	0
Other income and expenses not associated with payment	233 782	-859 471	27 505	5 951
Changes in working capital	13 373 640	-10 360 501	-342 856	1 115 971
Financial expenses and income	-2 973 137	-1 676 389	-597 504	-316 821
Income taxes	-549 029	-1 015 115	0	-41 411
<b>Net cash flow from operating activities</b>	<b>14 391 816</b>	<b>-6 528 214</b>	<b>-1 432 454</b>	<b>-1 582 742</b>
<b><i>Cash flow from investing activities</i></b>				
Investments of intangible and tangible assets	-2 481 062	-914 805	0	0
Loans granted to group companies	0	0	-7 000 000	-13 000 000
Repayment of loans from Group companies	0	0	14 425	0
Acquired shares in subsidiaries	-6 939 150	-11 587 887	0	0
<b>Net cash flow from investing activities</b>	<b>-9 420 211</b>	<b>-12 502 692</b>	<b>-6 985 575</b>	<b>-13 000 000</b>
<b><i>Cash flow from financing activities</i></b>				
Withdrawals of long-term loans	0	10 000 000	0	0
Repayment of non-current debt	-2 669 000	-16 663 325	-1 436 500	-7 358 105
Interest and charges for financial expenses	0	-134 200	0	-134 200
Credit limit change	-10 886 114	7 676 500	0	0
Group contribution	0	0	1 200 000	2 060 000
Share issue	8 654 530	20 000 002	8 654 530	20 000 002
<b>Net cash flow from financing activities</b>	<b>-4 900 584</b>	<b>20 878 977</b>	<b>8 418 030</b>	<b>14 567 697</b>
Unrealized exchange and currency translation differences	-1 751 140	-596 364	0	0
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>4 066 316</b>	<b>2 814 608</b>	<b>0</b>	<b>15 045</b>
Changes in cash and cash equivalents	-1 680 119	1 251 708	0	-15 045
<b>Cash and cash equivalents at the end of the financial year</b>	<b>2 386 197</b>	<b>4 066 316</b>	<b>0</b>	<b>0</b>

## Duell Corporation NOTES

### ACCOUNTING AND VALUATION PRINCIPLES

#### General about the Group

The Duell Group comprises the parent company Duell Corporation as well as Oy Duell Bike-Center Ab (registered office: Mustasaari, Finland), Duell AB (registered office: Tranås, Sweden), Duell AS (registered office: Kongsvinger, Norway), Duell UK Ltd (registered office: Coalville, Great Britain), Duell TMV B.V. (registered office: Veghel, the Netherlands), Duell GmbH (registered office: Meppen, Germany), Duell SAS (registered office: Montpellier, France), Tecno Globe SAS (registered office: Montpellier, France), PowerFactory Nordic Oy Ab (registered office: Tampere, Finland), Tran-Am (New Milton) Ltd (registered office: New Milton, Great Britain) and Tran-Am Ltd (registered office: New Milton, Great Britain). The consolidated financial statements are combined with the parent company's financial statements and are available at the head office at Kauppatie 19, 65610 Mustasaari, Finland.

#### Scope of consolidated financial statements

In addition to Duell Corporation, the consolidated financial statements cover the subsidiaries in which the Group exercises control. Control is constituted when the Group holds more than half of the voting power in the subsidiary or otherwise exercises control. Control refers to the right to determine a company's financial and business policies in order to derive benefit from its operations.

#### Going concern

The covenants on Duell's financial institutions loans relate to the share of net debt in EBITDA (Leverage) and the share of net debt of equity (Gearing). The covenants are reviewed on a quarterly basis. According to the financing agreement, in the event of a breach of the covenants, the bank has the right to terminate the loans and demand repayment. The conditions for the covenants were not met at financial year-end due to weaker profitability. A waiver was received from the bank that the loan will continue in accordance with the originally agreed repayment schedule. The breach of the covenants has been approved in writing by the Bank on 31 August 2023, valid until the next review date.

The next review of covenants is on 30 November 2023, when according to the company's forecast, the conditions will not be met. The Company is in negotiations with the bank to amend the covenant levels in the financing agreement.

#### Elimination of ownership within the Group

Intra-group ownership has been eliminated using the acquisition cost method.

#### Business transactions within the Group

All business transactions within the Group, internal receivables and liabilities, unrealised profits, and internal distribution of profit are eliminated in the consolidated financial statements.

#### Deferred taxes

Deferred taxes are calculated from temporary differences between the carrying amount and the taxable amount, and are presented separately in the consolidated financial statements.

#### Items in foreign currency

Business transactions denominated in foreign currencies are recognised in euro according to the exchange rate prevailing on the transaction date. Receivables and liabilities denominated in foreign currencies are translated into euro using the exchange rates of the balance sheet date. Exchange rate gains and losses arising from such transactions, receivables and liabilities are recognised in the income statement.

Income and expense items in the income statements and balance sheets denominated in foreign currencies of Group companies are translated into euros using the exchange rates confirmed by the European Central Bank. Items on the income statements are translated using the average exchange rates and items on the balance sheets using the exchange rates of the end date of the reporting period. The income statements of Group companies outside the Eurozone are translated into euro using the average exchange rates of the reporting period and the balance sheets using the exchange rates of the end date of the reporting period. Different exchange rates result in a translation difference, which is recognised under equity, likewise the translation differences due to the elimination of the acquisition cost related to subsidiaries outside the Eurozone.

#### Valuation of fixed assets

Intangible assets are mainly composed of trademarks and other long-term expenditure. Tangible fixed assets are mainly composed of machinery and equipment. Tangible fixed assets are recognised at the original acquisition cost less depreciation according to plan and, when applicable, impairment.

Depreciation according to plan is based on the estimated useful lives of the assets.

#### Applied rules for depreciation

Intangible assets	
Goodwill	linear depreciation in 10 years
Other intangible expenditure	linear depreciation in 3 years
Trademarks	linear depreciation in 5 years
Tangible assets	
Machinery and equipment	25 % depreciation of residual value
Vehicles	25 % depreciation of residual value

#### Inventories

Inventories are recognised according to the weighted average cost principle, at the lower of their acquisition cost or net realisable value or reacquisition cost. The value of inventories only includes variable expenses.

#### Research and development expenditure

Research and development costs are recognized as an annual expense in the income statement.

**Related party transactions, Parent company**

Related party transactions between the Group companies during the financial year were as follows:

	2023	2022
Sales of services	704 266	563 288
Financial income	610 927	412 348
Financial expense	2 574	0
Group contribution	0	1 855 287

**Related party granted loan transactions, Parent company**

	2023	2022
Konsernilaina	7 000 000	13 000 000

**Related party received loan transactions, Parent company**

	2023	2022
Convertible bonds	0	5 764 243

**Events during the financial year**

Duell Corporation has entered into a new financing agreement with Nordea Bank Abp. The arrangement includes an EUR 58.5 million senior term and revolving facilities agreement amending the current financing agreement. The new agreement is valid as of February 24, 2023 and it replaces the existing financing arrangement without changes to principal amounts of outstanding term loans and available amounts of revolving facilities for working capital needs.

Duell Corporation has carried out the offering of 5,090,900 new shares in the Company in a directed share issue to a limited number of institutional and other investors in deviation of the pre-emptive subscription right of the shareholders (the "Share Issue"). The Company announced the commencement of the book-building process with a stock exchange release on March 1, 2023. The Company received gross proceeds of approximately EUR 8.7 million as a result of the Share Issue. The proceeds from the Share Issue was used to finance the first installment of the purchase price in relation to the acquisition of Tran-Am Ltd announced by the Company on February 27, 2023.

In addition, during the financial period, a merger took place in which PowerFactory Nordic Oy Ab was merged into Oy Duell Bike-Center Ab.

Duell announced on September 29, 2022, about cost savings programme concerning whole Group and as part of the programme to start change negotiations in Finnish companies on October 4, 2022, in accordance with the Co-operation Act. The need to reduce workforce in production is based on financial and operational reorganization grounds as well to achieve synergies within the Group. Duell announced on February 2, 2023, that it had completed the change negotiations. The personnel reduction realised in the entire Duell Group was a total of 23 people. The cost saving at the Group level for the 2023 financial year is approximately EUR 700,000 and for 2024 EUR 1.3 million

Duell announced on May 17, 2023, that it will initiate change negotiations starting on 23 May 2023 to enhance cost savings programme and to adjust operating costs to lower-than-expected demand.

**Events after the financial year**

Duell announced that it had concluded the change negotiations initiated on 23 May 2023 on 7 September 2023. Through the programme, Duell will achieve additional annual cost savings of EUR 1.0 million (initial target approximately EUR 1 million) across the Group, mainly from personnel cost reductions. The total number of personnel reductions in the Duell Group is 11 persons (initial target maximum 20 persons). The savings from the cost savings programme will mainly be achieved in the financial year starting on 1 September 2023. In addition, the company still has the possibility to implement layoffs in order to adjust costs to the prevailing market situation.

Duell announced that Magnus Miemois M.Sc. (Tech.) will start as COO and Deputy CEO of Duell Corporation latest on 1st of January 2024. Initially, Magnus Miemois is responsible for Duell's Operations and related development activities. The plan is for Magnus Miemois to become Duell's CEO during 2024. In connection with this change, the current CEO Jarkko Ämmälä will become Duell's Commercial Director with responsibility for Key Accounts, Key suppliers, and strategic initiatives.



**NOTES TO THE INCOME STATEMENT**

Net sales split	Group		Parent company	
	2023	2022	2023	2022
Domestic	37 387 500	36 094 589	708 902	572 102
Other Europe	79 648 433	87 484 550	0	0
Other	1 796 271	412 137	0	0
	<b>118 832 204</b>	<b>123 991 276</b>	<b>708 902</b>	<b>572 102</b>

The Group's net sales consists of the sale of equipment, supplies and spare parts for motorcycles, snowmobiles, mopeds, ATVs and bicycles. In addition, the range also includes watersports and marine accessories. The net sales of the Group's parent company Duell Corporation consists of administrative services charges to Group companies.

	Group		Parent company	
	31.08.2023	31.08.2022	31.08.2023	31.08.2022
Average number of employees during the financial year	218	193	2	2
Number of employees at the end of reporting period	238	232	2	2

**Notes regarding the personnel and governance bodies**

	Group		Parent company	
	31.08.2023	31.08.2022	31.08.2023	31.08.2022
Board of Directors' and Managing director's salaries and remuneration	394 778	215 735	394 778	215 735

**Loans to related parties in the Parent company or in the Group**

The Group companies have not granted loans to related parties.

**Depreciation and impairment**

	Group		Parent company	
	31.08.2023	31.08.2022	31.08.2023	31.08.2022
Poistot aineellisista hyödykkeistä	-332 116	-230 018	0	0
Poistot aineettomista hyödykkeistä	-2 933 383	-2 249 076	0	0
Poistot yhteensä	<b>-3 265 499</b>	<b>-1 039 930</b>	<b>0</b>	<b>0</b>

**Financial income and expenses**

	Group		Parent company	
	31.08.2023	31.08.2022	31.08.2023	31.08.2022
Interest income				
from Group companies	0	0	610 927	412 348
from others	25 015	14 720	3 703	22
Other financial income	1 588 848	1 063 525	736 468	373 224
Interest and other financial expenses	-5 044 345	-2 989 104	-642 615	-593 919
Financial items, total	<b>-3 430 482</b>	<b>-1 910 859</b>	<b>708 483</b>	<b>191 676</b>

**Auditor's fees**

	Group		Parent company	
	31.08.2023	31.08.2022	31.08.2023	31.08.2022
Audit firm				
Audit	129 641	222 387	21 359	20 000
Other services	41 585	149 286	0	3 900
Total	<b>171 226</b>	<b>371 673</b>	<b>21 359</b>	<b>23 900</b>

**NOTES TO BALANCE SHEET**

**Intangible and tangible assets**

Group	Intangible assets		Assets under construction	Goodwill	Total	Tangible assets	
	Intangible rights	Other intangible assets				Machinery and equipment	Total
Acquisition cost on 1 Sep	2 160 596	1 161 617	283 491	19 936 438	23 542 143	2 236 671	2 236 671
Additions	47 536	676 829	1 627 142	7 335 069	9 686 576	213 940	213 940
Decreases	0	0	-84 384	0	-84 384	-48 498	-48 498
Group companies assets at acquisition	0	63 324	0	0	63 324	205 062	205 062
Currency translation difference	-139 854	-13 829	0	0	-153 683	-26 269	-26 269
Adjustments	6 819	-40 029			-33 210		
<b>Acquisition cost on 31 Aug</b>	<b>2 075 097</b>	<b>1 847 912</b>	<b>1 826 249</b>	<b>27 271 508</b>	<b>33 020 765</b>	<b>2 580 905</b>	<b>2 580 905</b>
Accumulated depreciation on 1 Sep	-1 458 249	-823 464	0	-3 565 786	-5 847 498	-1 301 297	-1 301 297
Depreciation during financial year	-283 972	-289 014	0	-2 360 397	-2 933 383	-331 765	-331 765
Group companies accumulated depreciation at acquisition	0	0	0	0	0	-145 766	-145 766
Accumulated depreciation at decrease	0	0	0	0	0	28 652	28 652
Currency translation difference	85 712	19 359	0	0	105 071	20 863	20 863
Adjustments		3 278	0	0	3 278	-3 278	-3 278
<b>Accumulated depreciation on 31 Aug</b>	<b>-1 656 509</b>	<b>-1 089 841</b>	<b>0</b>	<b>-5 926 183</b>	<b>-8 672 533</b>	<b>-1 732 592</b>	<b>-1 732 592</b>
<b>Carrying amount on 31 Aug</b>	<b>418 587</b>	<b>758 071</b>	<b>1 826 249</b>	<b>21 345 323</b>	<b>24 348 230</b>	<b>848 313</b>	<b>848 314</b>

**Parent Company**

**Investments in subsidiaries**

Acquisition cost on 1 Sep	20 889 340
Additions	0
Decreases	0
<b>Acquisition cost on 31 Aug</b>	<b>20 889 340</b>

**Subsidiaries**

Company	Registered office	Group Ownership
Oy Duell Bike-Center Ab	Mustasaari	100 %
Duell AB	Tranås	100 %
Duell AS	Kongsvinger	100 %
Duell UK Ltd	Coalville	100 %
Tran-Am (New Milton) Ltd	New Milton	100 %
Tran-Am Ltd	New Milton	100 %
Duell TMV B.V.	Veghel	100 %
Duell GmbH	Meppen	100 %
Duell SAS	Montpellier	100 %
Tecno Globe SAS	Montpellier	100 %

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	<b>Group</b>	<b>Group</b>	<b>Parent</b>	<b>Parent</b>
	<b>31.08.2023</b>	<b>31.08.2022</b>	<b>Company</b>	<b>Company</b>
	<b>31.08.2023</b>	<b>31.08.2022</b>	<b>31.08.2023</b>	<b>31.08.2022</b>
<b>Receivables</b>				
Other non-current receivables	158 558	450 034	0	0
<b>Non-current receivables</b>				
Loan receivables from Group companies	0	0	23 000 000	16 000 000
<b>Current receivables</b>				
Trade receivables	15 757 656	20 306 615	91 271	94 282
<b>Receivables from Group companies</b>				
Pre-paid expenses and accrued income	0	0	2 428 982	2 406 189
Interest receivables	0	0	2 081 156	1 113 789
Group contribution from Group company	0	0	0	733 825
Other pre-paid expenses and accrued income	0	0	347 826	558 575
<b>Other current receivables</b>				
Other current receivables	547 109	203 703	123 213	122 222
Pre-paid expenses and accrued income	988 467	848 919	0	0
	<b>17 293 232</b>	<b>21 359 237</b>	<b>25 643 466</b>	<b>18 622 694</b>

Duell Corporation  
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Equity	Group		Parent	Parent
	31.08.2023	31.08.2022	Company 31.08.2023	Company 31.08.2022
Share capital on 1 Sep	80 000	2 500	80 000	2 500
Increase of share capital	0	77 500	0	77 500
<b>Share capital on 31 Aug</b>	<b>80 000</b>	<b>80 000</b>	<b>80 000</b>	<b>80 000</b>
Reserve for invested unrestricted equity on 1 Sep	24 232 507	4 310 005	24 232 507	4 310 005
Share issue	8 654 530	20 000 002	8 654 530	20 000 002
Increase of share capital	0	-77 500	0	-77 500
<b>Reserve for invested unrestricted equity on 31 Aug</b>	<b>32 887 037</b>	<b>24 232 507</b>	<b>32 887 037</b>	<b>24 232 507</b>
Retained earnings on 1 Sep	7 540 773	6 207 088	-1 172 370	-871 724
Adjustment to retained earnings	0	-236 000	0	0
Currency translation differences	-797 484	-358 753	0	0
Retained earnings on 31 Aug	6 743 289	5 612 334	-1 172 370	-871 724
Profit (loss) for the period	-2 827 408	1 928 439	188 884	-300 646
<b>Equity, total</b>	<b>36 882 918</b>	<b>31 853 280</b>	<b>31 983 551</b>	<b>23 140 137</b>

Distributable funds on 31 Aug	Parent	
	Company 31.08.2023	Company 31.08.2022
Reserve for invested unrestricted equity	32 887 037	24 232 507
Retained earnings	-1 172 370	-871 724
Profit (loss) for the period	188 884	-300 646
<b>Total distributable funds at 31 Aug</b>	<b>31 903 551</b>	<b>23 060 137</b>

**The Board's proposal of the distributable funds**

The Board proposes that the company's profit of EUR 188,884 is transferred to Retained Earnings and that no dividend will be distributed.

**Shares in the Parent company**

Each share entitles the holder to one vote at the Annual General Meeting.  
All shares have equal rights to dividends and company assets.

**31.08.2023**  
30 545 474 kpl

At the end of the financial year one share of the company was valued at 2,25 euro and the company's market value was 57 272 792 euro.

**Non-current liabilities**

	Group		Parent	Parent
	31.08.2023	31.08.2022	Company 31.08.2023	Company 31.08.2022
Loans from financial institutions	32 148 045	45 497 592	11 345 545	13 011 478
Convertible bond loans	0	0	0	0
Other non-current debt	96 872	92 815	0	0
Deferred tax liabilities	17 448	78 370	0	0
<b>Non-current liabilities, total</b>	<b>32 262 365</b>	<b>45 668 777</b>	<b>11 345 545</b>	<b>13 011 478</b>

Deferred tax liability consists of adjustments to the acquisition calculations.

**Current liabilities**

	Group		Parent	Parent
	31.08.2023	31.08.2022	Company 31.08.2023	Company 31.08.2022
Loans from financial institutions	2 198 000	3 140 000	1 183 000	1 690 000
Trade payables	12 073 417	7 592 965	1 322 552	1 524 116
Other current liabilities	9 144 812	3 976 071	73 721	21 506
Accrued expenses and deferred income	2 921 156	3 237 248	624 437	124 795
Wages and salaries	1 269 789	1 262 264	37 444	38 985
Interest expenses	222 429	77 235	33 365	23 173
Other accrued expenses and deferred income	1 428 938	1 897 749	553 628	62 637
<b>Total</b>	<b>26 337 385</b>	<b>17 946 284</b>	<b>3 203 709</b>	<b>3 360 418</b>

**Collaterals and off-balance sheet commitments**

	<b>Group</b>	<b>Group</b>	<b>Parent</b>	<b>Parent</b>
	<b>31.08.2023</b>	<b>31.08.2022</b>	<b>company</b>	<b>Company</b>
	<b>31.08.2023</b>	<b>31.08.2022</b>	<b>31.08.2023</b>	<b>31.08.2022</b>
<b>Loans and other liabilities pledged with collaterals</b>				
Loans from financial institutions	34 346 045	48 637 592	12 528 545	14 701 478
Credit limits	21 000 000	19 000 000	0	0
whereof used	0	10 886 114	0	0
Import letter of credit	500 000	2 500 000	0	0
whereof used	0	1 759 708	0	0
Other collaterals	600 000	469 591	0	93
whereof used	305 177	344 552	0	93
<b>Given Collaterals</b>				
Corporate mortgage	120 640 000	120 640 000	60 320 000	60 320 000
Subsidiary shares	0	0	20 889 340	20 889 340

Oy Duell Bike-Center Ab has provided liability for the parent company's loans, and the liability for the guarantee is 16,900,00, of which 3,187,842 relates to the undrawn portion.

The parent company has provided security for the loans of the subsidiary Oy Duell Bike-Center Ab and the amount of the guarantee liability is 18,931,318, of which 7,013,818 relates to the undrawn portion.

	<b>Group</b>	<b>Group</b>	<b>Parent</b>	<b>Parent</b>
	<b>31.08.2023</b>	<b>31.08.2022</b>	<b>company</b>	<b>Company</b>
	<b>31.08.2023</b>	<b>31.08.2022</b>	<b>31.08.2023</b>	<b>31.08.2022</b>
<b>Rental commitments</b>				
Current rental commitments	2 163 635	2 294 529	0	0
Non-current rental commitments	8 455 744	9 289 798	0	0
<b>Total</b>	<b>10 619 379</b>	<b>11 584 328</b>	<b>0</b>	<b>0</b>

	<b>Group</b>	<b>Group</b>	<b>Parent</b>	<b>Parent</b>
	<b>31.08.2023</b>	<b>31.08.2022</b>	<b>company</b>	<b>Company</b>
	<b>31.08.2023</b>	<b>31.08.2022</b>	<b>31.08.2023</b>	<b>31.08.2022</b>
<b>Lease commitments</b>				
Current Lease commitments	326 300	299 038	11 430	16 245
Non-current Lease commitments	280 305	226 896	0	10 830
<b>Total</b>	<b>606 605</b>	<b>525 934</b>	<b>11 430</b>	<b>27 075</b>

Rental commitments relate to leases for premises and lease commitments relate to rental of machinery and equipment.

**Derivatives**

Fair value of interest hedging	34 163	33 642	34 163	33 642
Target value of interest hedging	4 391 731	4 995 739	4 391 731	4 995 739
Fair value of currency hedging	69 519	80	0	0
Target value of currency hedging	2 835 432	348 063	0	0

The currency hedge relates to the hedging of the foreign currency payment of the deferred purchase price of a subsidiary acquired during the financial year. The fair value effect is not recognised in the consolidated income statement. The interest rate hedge applied by the parent company is also not recognised in the income statement. The realisation of the effects of these hedges on profit or loss is expected to occur in the next financial year.

**Signatures for the financial statements and the report of the Board of Directors**

08.10.2023

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Anna Hyvönen  
Chairman of the Board

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Sami Heikkilä  
Board member

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Kim Ignatius  
Board member

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Anu Ora  
Board member

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Søren Gaardboe  
Board member

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Niko Mokka  
Board member

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Jarkko Ämmälä  
Managing director

**Auditor's note**

A report on the audit performed has been issued today.

\_\_\_\_.\_\_\_\_.2023

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KPMG Oy Ab  
Mari Kaasalainen, KHT

**List of accounting books and materials**

Journal: printout  
General ledger: printout  
Payroll accounting: printouts  
Financial statements: bound  
Balance sheet specifications: bound

**Retention of vouchers**

The vouchers for the financial year, correspondence regarding transactions and other accounting material must be retained for at least six years after the end of the year during which the financial year ended (AA, chapter 2, section 10, subsection 2).



**KPMG Oy Ab**  
Hovioikeudenpuistikko 16  
65100 Vaasa  
FINLAND

Telephone +358 20 760 3000  
www.kpmg.fi

*This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.*

# Auditor's Report

To the Annual General Meeting of Duell Corporation

## **Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of Duell Corporation (business identity code 2929424-1) for the year ended 31 August, 2023. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for the parent company.

In our opinion, the financial statements give a true and fair view of the group's and the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

### **Basis for Opinion**

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter – Financial loan covenants**

We would like to draw attention to the section going concern in the notes to the financial statements, which describes the financial loan covenants. The conditions for the covenants were not met at the financial statement date. According to the financing agreement, in event of a breach of the covenants, the bank has the right to terminate the loans and demand repayment. The breach of covenants has been approved in writing by the bank on 31 August 2023, valid until the next review date. The next review of covenants is on 30 November 2023, when according to the company's forecast, the covenant conditions will not be met. The company is in negotiations with the bank to amend the covenant levels in the financing agreement.

Our opinion is not modified in respect of this matter.

### **Responsibilities of the Board of Directors and the Managing Director for the Financial Statements**

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine 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, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

### **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 good auditing practice 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 the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism 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 parent company's or the group'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 the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group'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 content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

### **Other Reporting Requirements**

#### **Other Information**

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Vaasa, 8 October 2023

KPMG OY AB

MARI KAASALAINEN  
*Authorised Public Accountant, KHT*