

THIS IS THE TRANSLATION

**Duell Corporation**

**FINANCIAL STATEMENTS AND  
BOARD OF DIRECTORS' REPORT  
1.9.2021-31.8.2022**

**Duell Corporation**

Business ID: 2929424-1

Registered office: Mustasaari, Finland

**Financial statements and Board of Director's report for period 1.9.2021-31.8.2022**

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## **BOARD OF DIRECTOR'S REPORT**

### **General**

Duell Corporation (2929424-1, previously Sponbike Oy) owns the entire share capital of Duell Bike-Center Oy and offers administrative services to the companies belonging to the Duell Group.

Duell Bike-Center owns 100% of the shares of Duell AB (previously SDBC Motor AB) in Sweden, Duell AS in Norway, Duell UK Ltd. in the UK, Duell GmbH (previously Grand Canyon GmbH) in Germany, Duell SAS and Tecno Globe SAS in France. In addition, the shares of Duell TMV B.V. (previously Techno Motor Veghel B.V.) and PowerFactory Nordic Oy Ab, in the Netherlands and Finland respectively, were acquired during the financial year. All of the above mentioned companies form the Duell Group. During the financial year, IGM Trading B.V. was merged into Duell TMV B.V. in the Netherlands.

Duell Corporation (Duell) is an import and wholesale company based in Mustasaari, Finland, established in 1983. It imports, manufactures, and sells products through an extensive distribution network in Europe covering 8,500 dealers. The range of products includes 150,000 items under 500 brands. The assortment covers spare parts and accessories for motorcycling, bicycling, ATVs/UTVs, mopeds and scooters, snowmobiling and boating. Logistics centres are located in Finland, Sweden, Netherlands and France.

### **Financial performance**

The Group's net sales 124.0 million € (76.8) increased by 62% compared to the previous year. With regards to the net sales and the acquired companies Duell TMV B.V. and PowerFactory Nordic Oy Ab contributed six and four months respectively. The increased net sales was impacted by increased market share and organic growth in the European market.

The Group's operating profit 4.9 million € (7.3) declined compared to previous financial year. The operating profit was impacted by higher logistics costs related to deliveries and increased personnel and other operating expenses supporting organic and inorganic growth.

The group company Duell Bike-Center Oy has increased its loans from financial institutions to finance its acquisitions. In addition, Duell Corporation has fully repaid the convertible loans.

Duell Group invests in its international growth. The recent acquisitions of Duell TMV B.V. in the Netherlands and PowerFactory Nordic Oy supports this. The companies enable geographical market growth as well as expanded brand portfolio.

The net sales development is expected to continue in a positive way and the profitability to remain on a good level.

GROUP (m€)	1.9.2021- 31.8.2022	1.9.2020- 31.8.2021	1.9.2019- 31.8.2020
Net sales	124.0	76.8	59.4
Operating profit	4.9	7.3	4.1
Operating profit -%	4.0 %	9.5 %	6.9 %
Return to equity -%*	9.1 %	37.8 %	23.7 %
Equity-to-asset ratio (excl. convertible bonds in equity)	33.4 %	15.2 %	17.0 %
Equity-to-asset ratio (incl. convertible bonds in equity)	33.4 %	22.6 %	39.3 %

*\*) In the calculation of Return to equity -%, the net result includes Group contribution and it is divided with equity on average.*

PARENT COMPANY (m€)	1.9.2021- 31.8.2022	1.9.2020- 31.8.2021	1.9.2019- 31.8.2020
Net sales	0.6	0.4	0.4
Operating profit	-2.3	-0.2	-0.1
Operating profit -%	-410.1 %	-46.4 %	-24.3 %
Equity-to-asset ratio (excl. convertible bonds in equity)	58.6 %	13.2 %	11.8 %
Equity-to-asset ratio (incl. convertible bonds in equity)	58.6 %	32.8 %	41.8 %

### Events during and after the financial period

The operating environment was impacted by the continued COVID-19 pandemic and the unexpected war in Ukraine. These two factors have caused uncertainty in the market. The supply challenges caused by the pandemic has eased gradually towards the end of the financial year. However, the war in Ukraine followed by increasing inflation, caused decline in consumer confidence and in the demand from spring 2022 onwards. Market visibility continues to be uncertain due to these conditions.

The covenants for loans from financial institutions relate to the share of net debt in EBITDA (Leverage) and the share of net debt of equity (Gearing). The conditions for the covenants were exceptionally not met at financial year-end due to cash tied into inventory value. A waiver was received from the bank that the condition for loans remains. The next review of covenants is on 30 November 2022, when according to the Corporation's forecast the conditions will not be met. For the review, the bank has given a preliminary approval for the loan conditions to remain.

The Corporation has launched a net working capital optimisation project and a cost-saving program to improve profitability. The Corporation is currently negotiating the renewal of the financing package which includes a review of covenants and conditions.

Duell announced on October 4, 2022, a global cost saving program in order to eliminate overlaps, making operations more efficient and achieving synergy benefits within the Group companies to improve profitability. In alignment with the announcement, the company informed to start the change negotiations in Finnish companies on

October 4, 2022, in accordance with the Co-operation Act regarding the need to reduce the workforce on production, financial and operational reorganization grounds.

The board of directors of Duell Bike-Center Oy Ab has agreed on September 5, 2022 a merger plan, according to which PowerFactory Nordic Oy Ab will be merged into Duell Bike-Center Oy Ab in January 2023.

## Employees

On August 31, 2022, Duell had a total of 232 employees and the parent company 2 employees.

GROUP	1.9.2021- 31.8.2022	1.9.2020- 31.8.2021	1.9.2019- 31.8.2020
Average number of employees	193	112	93
Wages and salaries (m€)	-8,8	-5,1	-4,0

Duell has established a short-term incentive scheme for the personnel where the incentive bonus is connected to the achievement of financial and operational targets. The objectives of the incentive scheme is to engage the participants and motivate them to improve performance that supports Duell's growth and competitiveness.

## Research and development

The Group continually develops and tests new products under its own trademarks and develops its own internal processes. Research and development expenses are recognised as expenses in the Income statement.

## Risk management

The Group's most significant risks are related to the supply and availability of goods, credit and exchange rates and to changes in the competitive situation.

As part of its normal management process, the Board continually monitors the impact of these risks on the company as well as the implementation of measures geared at preventing or eliminating the risks.

## Shares

In November 2021, Duell announced that it intends to launch an initial public offering and listing its shares on Nasdaq Helsinki First North Growth Market Finland.

The total number of issued and outstanding shares in the company increased to 25,454,574, of which each share is entitled to equal right to dividend and voting power.

Trading in Duell's shares commenced on the First North Growth Market Finland marketplace maintained by Nasdaq Helsinki Ltd on November 24, 2021.

At the end of the review period, the company's fully paid-up share capital, as recorded in the Trade Register, amounted to EUR 80,000 and the number of shares totalled 25,454,574.

### **Financing and structuring arrangements**

Holders of convertible loans which are related parties to Duell, have under certain conditions had the option to convert the loan capital to shares in Duell Corporation. The convertible rights has been equivalent to 21,350,005 shares. The convertible loans were fully repaid during the financial year.

The Board has a valid authorisation for a paid directed share issue. According to the authorisation a maximum of 4,500,000 new shares of the company may be issued, deviating from the shareholders' pre-emptive right, if there is a compelling reason for this. This authorisation is valid until 31 December 2022. The amount of unutilised shares under this authorisation is 607,951 at August 31 2022.

The board has a valid authorisation for a directed share issue. According to the authorisation, a maximum of 3,000,000 new company shares may be issued, however, no more than 10 percent of the company's number of shares after the listing, deviating from the shareholders' pre-emptive right, if there is a compelling reason for this. The board has the right to decide on the other conditions for the share issue. The authorization is valid until 31 December 2022. This authorisation has not been used by the Board by 31 August 2022.

### **Board of Directors, Managing Director and Auditor**

The Directors of the Board are Kim Ignatius (Chair), Thomas Sandvall, Sami Heikkilä, Anu Ora, Anna Hyvönen (since 10.11.2021) and Niko Mokka (since 10.11.2021). Jarkko Ämmälä is the Managing Director. The company's auditor is KPMG Oy Ab and Mari Kaasalainen, CPA is the auditor in charge.

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

The Board proposes, that the company's loss of EUR -300,646 is transferred to Retained Earnings and that no dividend will be distributed.

	Group 1.9.2021 - 31.8.2022	Group 1.9.2020 - 31.8.2021	Parent company 1.9.2021 - 31.8.2022	Parent company 1.9.2020 - 31.8.2021
Currency: EURO				
<b>NET SALES</b>	<b>123 991 276</b>	<b>76 756 265</b>	<b>572 102</b>	<b>425 617</b>
Other operating income	411 226	220 042	0	0
Materials and services				
Materials and consumables				
Purchases during the financial period	-94 966 909	-56 022 670	0	0
Change in inventories	6 551 360	1 966 189	0	0
External services	-5 968 822	-3 724 107	0	0
Materials and services, total	-94 384 371	-57 780 588	0	0
Personnel expenses				
Wages and salaries	-8 821 449	-5 080 061	-422 699	-325 547
Other personnel expenses				
Pension expenses	-949 241	-647 349	-57 441	-37 168
Other social expenses	-1 469 934	-644 279	-796	-13 648
Personnel expenses, total	-11 240 624	-6 371 689	-480 936	-376 363
Depreciation according to plan	-2 479 094	-1 039 930	0	0
Other operating expenses	-11 394 246	-4 502 245	-2 437 599	-246 861
<b>OPERATING PROFIT (-LOSS)</b>	<b>4 904 167</b>	<b>7 281 855</b>	<b>-2 346 433</b>	<b>-197 607</b>
Financial income and expenses				
Interest and other financial income				
from Group companies	0	0	412 348	248 203
from others	1 078 244	933 976	373 247	439 887
Interest and other financial expenses				
from Group companies	0	0	0	0
from others	-2 989 104	-3 636 193	-593 919	-2 337 530
Financial income and expenses, total	-1 910 860	-2 702 217	191 676	-1 649 441
<b>PROFIT (-LOSS) BEFORE APPROPRIATIONS AND TAXES</b>	<b>2 993 307</b>	<b>4 579 638</b>	<b>-2 154 757</b>	<b>-1 847 048</b>
Appropriations				
Group contribution	0	0	1 855 287	1 650 000
Income taxes				
Taxes for the financial period	-915 775	-1 249 414	-1 176	-40 239
Changes in deferred taxes	-149 093	1 537	0	0
Income taxes, total	-1 064 868	-1 247 877	-1 176	-40 239
<b>PROFIT (-LOSS) FOR THE FINANCIAL YEAR</b>	<b>1 928 439</b>	<b>3 331 761</b>	<b>-300 646</b>	<b>-237 287</b>

Currency: EURO	Group 31.08.2022	Group 31.08.2021	Parent company 31.08.2022	Parent company 31.08.2021
<b>ASSETS</b>				
<b>FIXED ASSETS</b>				
Intangible assets				
Intangible rights	702 348	1 006 688	0	0
Other intangible assets	338 155	356 840	0	0
Assets under construction	283 491	0	0	0
Goodwill	16 370 652	13 515 788	0	0
	<u>17 694 646</u>	<u>14 879 316</u>	0	0
Tangible assets				
Machinery and equipment	935 372	607 772	0	0
Investments				
Other shares and investments	0	0	20 889 340	20 889 340
<b>FIXED ASSETS, TOTAL</b>	<b>18 630 018</b>	<b>15 487 088</b>	<b>20 889 340</b>	<b>20 889 340</b>
<b>CURRENT ASSETS</b>				
Current assets				
Inventories	47 879 508	34 899 436	0	0
Advance payments	3 366 717	2 381 804	0	0
	<u>51 246 225</u>	<u>37 281 240</u>	0	0
Receivables				
Non-current				
Loan receivables	0	0	16 000 000	3 000 000
Other non-current receivables	166 542	118 167	0	0
Current				
Trade receivables	20 306 615	11 669 701	94 282	87 577
Loan receivables	3 500	0	28 038	0
Other current receivables	200 203	80 335	77 160	77 160
Pre-paid expenses and accrued income	848 919	1 679 424	2 423 213	2 052 177
	<u>21 525 779</u>	<u>13 547 627</u>	<u>18 622 694</u>	<u>5 216 914</u>
Cash and cash equivalents	4 066 317	2 814 608	0	15 045
<b>CURRENT ASSETS, TOTAL</b>	<b>76 838 321</b>	<b>53 643 475</b>	<b>18 622 694</b>	<b>5 231 959</b>
<b>ASSETS, TOTAL</b>	<b>95 468 339</b>	<b>69 130 563</b>	<b>39 512 033</b>	<b>26 121 299</b>



Currency: EURO	Group 31.08.2022	Group 31.08.2021	Parent company 31.08.2022	Parent company 31.08.2021
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Capital and reserves				
Share capital	80 000	2 500	80 000	2 500
Other reserves				
Reserve for invested unrestricted equity	24 232 507	4 310 005	24 232 507	4 310 005
Retained earnings	5 612 331	2 875 327	-871 724	-634 437
Profit (-loss) for the financial year	1 928 439	3 331 761	-886 548	-237 287
<b>EQUITY, TOTAL</b>	<b>31 853 277</b>	<b>10 519 593</b>	<b>22 554 235</b>	<b>3 440 781</b>
<b>LIABILITIES</b>				
Non-current				
Convertible bonds	0	5 118 403	0	5 118 403
Loans from financial institutions	45 497 592	32 783 837	13 011 478	15 074 223
Deferred tax liabilities	78 370	62 780	0	0
Other liabilities	92 815	147 193	0	0
	45 668 777	38 112 213	13 011 478	20 192 626
Current				
Loans from financial institutions	3 140 000	3 595 181	1 690 000	1 690 000
Trade payables	7 592 965	9 708 457	1 524 116	102
Other current liabilities	3 976 071	3 282 543	21 506	49 196
Accrued expenses and deferred income	3 237 248	3 912 576	124 795	748 594
	17 946 284	20 498 757	3 360 418	2 487 892
<b>LIABILITIES, TOTAL</b>	<b>63 615 061</b>	<b>58 610 970</b>	<b>16 371 896</b>	<b>22 680 518</b>
<b>EQUITY AND LIABILITIES, TOTAL</b>	<b>95 468 339</b>	<b>69 130 563</b>	<b>39 512 033</b>	<b>26 121 299</b>

Currency: EURO	Group 31.08.2022	Group 31.08.2021	Parent company 31.08.2022	Parent company 31.08.2021
<b><i>Cash flow from operating activities</i></b>				
Operating profit (-loss)	4 904 168	7 281 855	-2 346 433	-197 607
Depreciation according to plan	730 789	610 273	0	0
Goodwill amortization	1 748 305	429 657	0	0
Other income and expenses not associated with payment	-859 471	359 139	5 951	1 076
Changes in working capital	-10 360 501	-5 927 790	1 115 971	174 591
Financial expenses and income	-1 676 389	-1 519 673	-316 821	-646 982
Income taxes	-1 015 115	-1 113 485	-41 411	-6 299
<b>Net cash flow from operating activities</b>	<b>-6 528 214</b>	<b>119 976</b>	<b>-1 582 742</b>	<b>-675 221</b>
<b><i>Cash flow from investing activities</i></b>				
Investments of intangible and tangible assets	-914 805	-398 176	0	0
Loans granted to group companies	0	0	-13 000 000	
Repayment of loans from Group companies	0	0	0	5 000 000
Acquired shares in subsidiaries	-11 587 887	-16 094 947	0	0
Adjustment of the purchase price of subsidiary shares	0	566 115	0	566 115
<b>Net cash flow from investing activities</b>	<b>-12 502 692</b>	<b>-15 927 008</b>	<b>-13 000 000</b>	<b>5 566 115</b>
<b><i>Cash flow from financing activities</i></b>				
Withdrawals of long-term loans	10 000 000	23 399 999	0	8 900 000
Repayment of non-current debt	-16 663 325	-14 395 099	-7 358 105	-14 395 099
Interest and charges for financial expenses	-134 200	-768 392	-134 200	-768 392
Credit limit change	7 676 500	3 209 614	0	0
Group contribution	0	0	2 060 000	1 366 170
Share issue	20 000 002	0	20 000 002	0
<b>Net cash flow from financing activities</b>	<b>20 878 977</b>	<b>11 446 122</b>	<b>14 567 697</b>	<b>-4 897 321</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>				
	<b>2 814 608</b>	<b>7 031 047</b>	<b>15 045</b>	<b>21 473</b>
Changes in cash and cash equivalents	1 848 072	-4 360 910	-15 045	-6 427
Currency translation differences	-596 357	144 471	0	0
<b>Cash and cash equivalents at the end of the financial year</b>	<b>4 066 323</b>	<b>2 814 608</b>	<b>0</b>	<b>15 045</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) and PowerFactory Nordic Oy Ab (registered office: Tampere, Finland). 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 for loans from financial institutions relate to the share of net debt in EBITDA (Leverage) and the share of net debt of equity (Gearing). The conditions for the covenants were exceptionally not met at financial year-end due to cash tied into inventory value. A waiver was received from the bank that the condition for loans remains. The next review of covenants is on 30 November 2022, when according to the Corporation's forecast the conditions will not be met. For the review, the bank has given a preliminary approval for the loan conditions to remain. The Corporation has launched a net working capital optimisation project and a cost-saving program to improve profitability. The Corporation is currently negotiating the renewal of the financing package which includes a review of covenants and conditions.

#### 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 FIFO 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:

	2022	2021
Sales of services	563 288	425 617
Financial income	412 348	248 203
Group contribution	1 855 287	1 650 000

**Related party loan transactions, Parent company**

	2022	2021
Convertible bonds	5 764 243	5 630 241

**Events during the financial year**

The parent company's shares were listed through an initial public offering on 24.11.2021 on First North Growth Market Finland - a trade market maintained by Nasdaq Helsinki Oy.

The operating environment was impacted by the continued COVID-19 pandemic and the unexpected war in Ukraine. These two factors have caused uncertainty in the market. During the financial year the effects can be seen in higher freight costs and an increase in inventory. In addition, the increasing inflation causes impact on the demand.

The Group grew by two companies during the financial year 2022. Oy Duell Bike-Center Ab has acquired the entire shares of Duell TMV B.V., a Dutch company, and of PowerFactory Nordic Oy Ab, a Finnish company. With regards to the financial results, Duell TMV B.V. has been included in the Group for six months and PowerFactory Nordic Oy Ab for four months. A group company merger has taken place between IGM Trading B.V. and Duell TMV B.V. during the financial year whereafter IGM Trading B.V. ceased to exist.

**Events after the financial year**

Duell announced on October 4, 2022 a global cost saving programme in order to eliminate overlaps, making operations more efficient and achieving synergy benefits within the Group companies to improve profitability. In alignment with the announcement, the company informed to start the change negotiations in Finnish companies on October 4, 2022, in accordance with the Co-operation Act regarding the need to reduce the workforce on production, financial and operational reorganization grounds.

The Board of Oy Duell Bike-Center Ab has approved on 5 September 2022, a merger plan, according to which PowerFactory Nordic Oy Ab will be merged into Oy Duell Bike-Center Ab in January 2023.

## NOTES TO THE INCOME STATEMENT

Net sales split	Group	Group	Parent	Parent
	2022	2021	company	company
			2022	2021
Domestic	36 094 589	29 923 088	572 102	425 617
Other Europe	87 484 550	46 604 310	0	0
Other	412 137	228 867	0	0
	<b>123 991 276</b>	<b>76 756 265</b>	<b>572 102</b>	<b>425 617</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	Group	Parent	Parent
	31.08.2022	31.08.2021	company	company
			31.08.2022	31.08.2021
Average number of employees during the financial year	193	112	2	2
Number of employees at the end of reporting period	232	168	2	2

## Notes regarding the personnel and governance bodies

Board of Directors' and Managing director's salaries and remuneration	215 735	198 076	215 735	198 076
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## 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	Group	Parent	Parent
	31.08.2022	31.08.2021	company	company
			31.08.2022	31.08.2021
Depreciation of tangible assets	-230 018	-179 227	0	0
Depreciation of intangible assets	-2 249 076	-860 704	0	0
Depreciation, total	<b>-2 479 094</b>	<b>-1 039 930</b>	<b>0</b>	<b>0</b>

## Financial income and expenses

	Group	Group	Parent	Parent
	31.08.2022	31.08.2021	company	company
			31.08.2022	31.08.2021
Interest income				
from Group companies	0	0	412 348	248 203
from others	14 720	21 086	22	0
Other financial income	1 063 525	912 890	373 224	439 887
Interest and other financial expenses	-2 989 104	-3 636 193	-593 919	-2 337 530
Financial items, total	<b>-1 910 859</b>	<b>-2 702 217</b>	<b>191 676</b>	<b>-1 649 441</b>

## Auditor's fees

	Group	Group	Parent	Parent
	31.08.2022	31.08.2021	company	company
			31.08.2021	31.08.2021
Audit firm				
Audit	222 387	55 655	20 000	5 000
Other services	149 286	0	3 900	0
Total	<b>371 673</b>	<b>55 655</b>	<b>23 900</b>	<b>5 000</b>

## NOTES TO BALANCE SHEET

## Intangible and tangible assets

Group	Intangible assets				Tangible assets		
	Intangible rights	Other intangible assets	Assets under construction	Goodwill	Total	Machinery and equipment	Total
Acquisition cost on 1 Sep	2 196 722	989 237	0	15 333 269	18 519 228	1 684 926	1 684 926
Additions	21 857	149 451	283 491	4 603 168	5 057 967	399 607	399 607
Decreases	0	0	0	0	0	12 028	12 028
Group companies assets at acquisition	0	42 578	0	0	42 578	152 597	152 597
Adjustments	10 389	-8 694	0	0	1 695	-1 695	-1 695
Currency translation difference	-68 371	-10 955	0	0	-79 327	-10 791	-10 791
<b>Acquisition cost on 31 Aug</b>	<b>2 160 596</b>	<b>1 161 617</b>	<b>283 491</b>	<b>19 936 438</b>	<b>23 542 141</b>	<b>2 236 671</b>	<b>2 236 671</b>
Accumulated depreciation on 1 Sep	-1 190 034	-632 398	0	-1 817 481	-3 639 913	-1 077 153	-1 077 153
Depreciation during financial year	-300 454	-200 317	0	-1 748 305	-2 249 076	-230 018	-230 018
Group companies accumulated depreciation at acquisition	0	0	0	0	0	-2 592	-2 592
Currency translation difference	32 239	9 251	0	0	41 490	8 467	8 467
<b>Accumulated depreciation on 31 Aug</b>	<b>-1 458 248</b>	<b>-823 463</b>	<b>0</b>	<b>-3 565 786</b>	<b>-5 847 499</b>	<b>-1 301 297</b>	<b>-1 301 297</b>
<b>Carrying amount on 31 Aug</b>	<b>702 348</b>	<b>338 155</b>	<b>283 491</b>	<b>16 370 652</b>	<b>17 694 643</b>	<b>935 372</b>	<b>935 372</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	Holding
Oy Duell Bike-Center Ab	Mustasaari	100 %
Duell AB	Tranås	100 %
Duell AS	Kongsvinger	100 %
Duell UK Ltd	Coalville	100 %
Duell TMV B.V.	Veghel	100 %
Duell GmbH	Meppen	100 %
Duell SAS	Montpellier	100 %
Tecno Globe SAS	Montpellier	100 %
PowerFactory Nordic Oy Ab	Tampere	100 %

	Group 31.08.2022	Group 31.08.2021
<b>Non-current receivables</b>		
Other non-current receivables	450 034	118 168

Receivables	Group 31.08.2022	Group 31.08.2021	Parent Company 31.08.2022	Parent Company 31.08.2021
<b>Non-current receivables</b>				
Loan receivables from Group companies	0	0	16 000 000	3 000 000

	<b>Group</b>	<b>Group</b>	<b>Parent</b>	<b>Parent</b>
	<b>31.08.2022</b>	<b>31.08.2021</b>	<b>Company</b>	<b>Company</b>
			<b>31.08.2022</b>	<b>31.08.2021</b>
<b>Current receivables</b>				
Trade receivables	20 306 615	11 669 701	94 282	87 577
<b>Receivables from Group companies</b>				
Pre-paid expenses and accrued income	0	0	2 406 189	2 052 177
Interest receivables	0	0	1 113 789	701 441
Group contribution from Group company	0	0	733 825	933 825
Other pre-paid expenses and accrued income	0	0	558 575	416 911
<b>Other current receivables</b>				
Other current receivables	200 203	80 335	94 184	77 160
Pre-paid expenses and accrued income	848 919	1 679 424	0	0
	<b>21 355 737</b>	<b>13 429 460</b>	<b>18 594 656</b>	<b>5 216 914</b>
<b>Equity</b>				
	<b>Group</b>	<b>Group</b>	<b>Parent</b>	<b>Parent</b>
	<b>31.08.2022</b>	<b>31.08.2021</b>	<b>Company</b>	<b>Company</b>
			<b>31.08.2022</b>	<b>31.08.2021</b>
Share capital on 1 Sep	2 500	2 500	2 500	2 500
Increase of share capital	77 500	0	77 500	0
<b>Share capital on 31 Aug</b>	<b>80 000</b>	<b>2 500</b>	<b>80 000</b>	<b>2 500</b>
Reserve for invested unrestricted equity on 1 Sep	4 310 005	4 310 005	4 310 005	4 310 005
Share issue	20 000 002	0	20 000 002	0
Increase of share capital	-77 500	0	-77 500	0
<b>Reserve for invested unrestricted equity on 31 Aug</b>	<b>24 232 507</b>	<b>4 310 005</b>	<b>24 232 507</b>	<b>4 310 005</b>
Retained earnings on 1 Sep	6 207 088	1 459 221	-871 724	-322 432
Adjustment to retained earnings	-236 000	0	0	0
Dividends distributed	0	0	0	0
Currency translation differences	-358 753	66 488	0	0
Retained earnings on 31 Aug	5 612 334	2 875 327	-871 724	-634 437
Profit (loss) for the period	1 928 439	3 331 761	-300 646	-237 287
<b>Equity, total</b>	<b>31 853 280</b>	<b>10 519 593</b>	<b>23 140 137</b>	<b>3 440 781</b>

The adjustment to retained earnings is related to a correction of an accrual from the previous financial period 1.9.2020-31.8.2021.

<b>Distributable funds on 31 Aug</b>	<b>Parent Company 31.08.2022</b>	<b>Parent Company 31.08.2021</b>
Reserve for invested unrestricted equity	24 232 507	4 310 005
Retained earnings	-871 724	-634 437
Profit (loss) for the period	-300 646	-237 287
<b>Total distributable funds at 31 Aug</b>	<b>23 060 137</b>	<b>3 438 281</b>

#### Shares in the Parent company

**31.08.2022**

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

25 454 574 shares

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

	<b>Group 31.08.2022</b>	<b>Group 31.08.2021</b>	<b>Parent Company 31.08.2022</b>	<b>Parent Company 31.08.2021</b>
Loans from financial institutions	45 497 592	32 783 837	13 011 478	15 074 223
Convertible bond loans	0	5 118 403	0	5 118 403
Other non-current debt	92 815	147 193	0	0
Deferred tax liabilities	78 370	62 780	0	0
<b>Non-current liabilities, total</b>	<b>45 668 777</b>	<b>38 112 213</b>	<b>13 011 478</b>	<b>20 192 626</b>

Deferred tax liability consists of the accrual of the Swedish subsidiary's profit of the financial year to the upcoming financial years (Periodiseringsfond) and of adjustments to the acquisition calculations.

#### Current liabilities

	<b>Group 31.08.2022</b>	<b>Group 31.08.2021</b>	<b>Parent Company 31.08.2021</b>	<b>Parent Company 31.08.2021</b>
Loans from financial institutions	3 140 000	3 595 181	1 690 000	1 690 000
Trade payables	7 592 965	9 708 457	1 524 116	102
Other current liabilities	3 976 071	3 282 543	21 506	49 196
Accrued expenses and deferred income	3 237 246	3 912 576	124 795	748 594
Wages and salaries	1 167 147	3 187 634	38 985	43 286
Interest expenses	77 235	40 385	23 173	493 740
Other accrued expenses and deferred income	1 992 864	684 557	62 637	211 568
<b>Total</b>	<b>17 946 282</b>	<b>20 498 757</b>	<b>3 360 418</b>	<b>2 487 892</b>



**Collaterals and off-balance sheet commitments**

	<b>Group</b>	<b>Group</b>	<b>Parent</b>	<b>Parent</b>
	<b>31.08.2022</b>	<b>31.08.2021</b>	<b>company</b>	<b>Company</b>
			<b>31.08.2022</b>	<b>31.08.2021</b>
<b>Loans and other liabilities pledged with collaterals</b>				
Loans from financial institutions	48 637 592	33 169 404	14 701 478	16 764 223
Credit limits	19 000 000	11 496 568	0	0
whereof used	10 886 114	3 209 614	0	0
Import letter of credit	2 500 000	1 500 000	0	0
whereof used	1 759 708	1 178 248	0	0
Other collaterals	469 591	230 024	0	93
whereof used	344 552	104 146	0	93
<b>Given Collaterals</b>				
Corporate mortgage	120 640 000	55 000 000	120 640 000	55 000 000
Subsidiary shares	0	0	36 889 340	23 889 340

Oy Duell Bike-Center Ab has provided liability for the parent company's loans, and the liability for the guarantee is 15,079,001.

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 13,460,615, of which 410,615 relates to the undrawn portion.

In addition, the parent company and Oy Duell Bike-Center Ab have provided security for the liabilities of its subsidiary Duell AB.

	<b>Group</b>	<b>Group</b>	<b>Parent</b>	<b>Parent</b>
	<b>31.08.2022</b>	<b>31.08.2021</b>	<b>company</b>	<b>Company</b>
			<b>31.08.2022</b>	<b>31.08.2021</b>
<b>Rental commitments</b>				
Current rental commitments	2 201 748	1 522 785	0	0
Non-current rental commitments	9 289 798	2 611 707	0	0
<b>Total</b>	<b>11 491 546</b>	<b>4 134 492</b>	<b>0</b>	<b>0</b>

	<b>Group</b>	<b>Group</b>	<b>Parent</b>	<b>Parent</b>
	<b>31.08.2022</b>	<b>31.08.2021</b>	<b>company</b>	<b>Company</b>
			<b>31.08.2022</b>	<b>31.08.2021</b>
<b>Lease commitments</b>				
Current Lease commitments	296 577	177 632	16 245	16 245
Non-current Lease commitments	226 896	270 516	10 830	27 075
<b>Total</b>	<b>523 473</b>	<b>448 148</b>	<b>27 075</b>	<b>43 320</b>

Rental and leasing liabilities are divided for comparative purposes.

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

**Derivatives**

Fair value of interest hedging	33 642	-27 064	33 642	-27 064
Target value of interest hedging	4 995 739	42 187 500	4 995 739	42 187 500
Fair value of currency hedging	80	-71 793	0	0
Target value of currency hedging	348 063	8 215 672	0	0

Currency hedging is applied to hedge the exchange rate fluctuations of the purchases in the subsidiary acquired during financial year. The hedging is done for purchases in foreign currencies during the financial year. The impact of fair value has not been taken into account in the consolidated income statement. Adversely, the interest rate hedging applied by the parent company has also not been taken into account in the income statement. The realization of the impacts of hedges is expected to take place in the next financial year.

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

Finland on 9.11.2022

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Kim Ignatius  
Chairman of the Board

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Sami Heikkilä  
Board member

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Anna Hyvönen  
Board member

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Anu Ora  
Board member

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Thomas Sandvall  
Board member

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Niko Mokka  
Board member

---

Jarkko Ämmälä  
Managing director

**Auditor's note**

A report on the audit performed has been issued today.

Finland on \_\_\_\_.\_\_\_\_.2022

KPMG Oy Ab

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Mari Kaasalainen, CPA

**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).



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FINLAND

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*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, 2022. 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.

### **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, 10 November 2022

KPMG OY AB

MARI KAASALAINEN  
*Authorised Public Accountant, KHT*