PASCAL

Annual Report
2023/24

Penneo dokumentnøgle: 46E38-C5DX5-TGEYB-NT71Y-EDVKK-O5IMS

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Guided by an unwavering commitment to innovation, Pascal continues to partner with branded audio manufactures, to provide competitive advantages by delivering attractive audio solutions for the pro audio industry.

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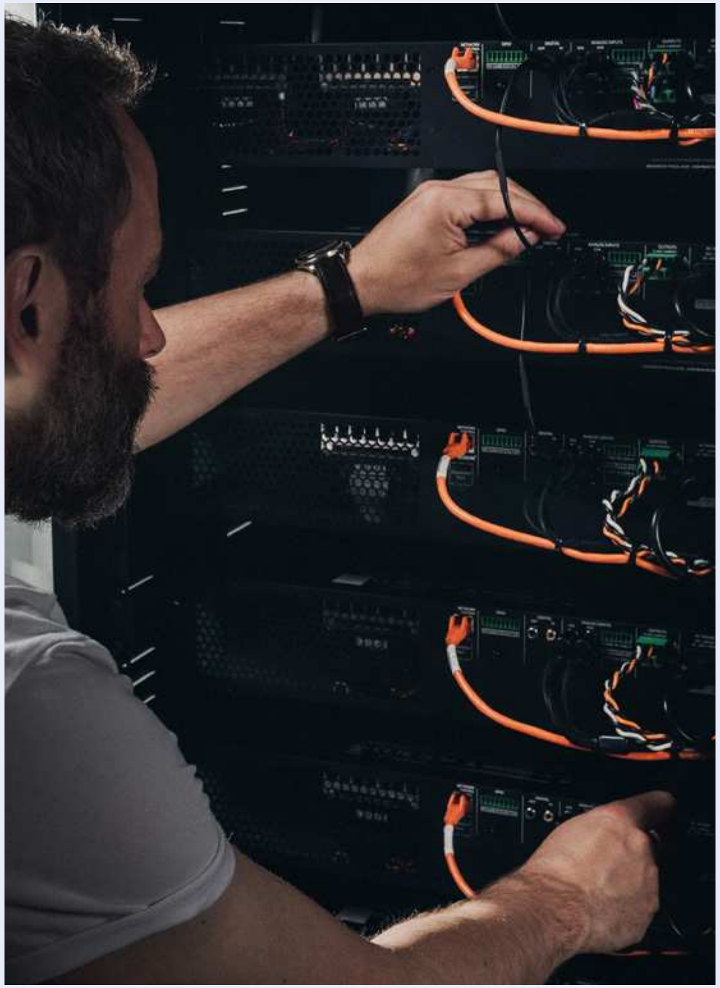

Pascal priorities usability in our product development, providing user friendly solutions to make our professional audio products and solutions simple to use, install and configure.

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Management review

Financial statement

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PASCAL at a glance

Pascal is a global leader in audio amplifier electronics, specializing in the design and manufacture of high-performance amplifier modules and rack-mounted amplifiers. Our business model is committed to delivering Original Design Manufacturer (ODM) modules and amplifier solutions tailored to the needs of the professional audio industry.

Our purpose

We are the power behind great sound

Copenhagen
Headquarters

95%
Employee retention rate

223DKKm
Revenue

PASCAL continues with positive developments, and in 2023, we experienced a solid growth of 24% compared to fiscal year 2022/23.

80+
Employees end of year

13
Nationalities

in Denmark, US, Germany, France, Norway, UK, Thailand & Singapore

70+
Sales countries

Our products are sold in 70+ countries worldwide.

3
Market segments

- Residential
- Commercial install
- Pro Audio

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Letter from the CEO

Changing the Pro-Audio industry

We are prioritizing our company's resilience and maintaining our shareholders' expectations, even in the face of increased market uncertainty. Our ODM business model has proven to be a true asset, enabling us to support our partners with fast and quality solutions so they can navigate the challenges of the current economic climate. As a privately owned company we have been privileged to be able to invest despite high interest rates.

During the year, Pascal Audio has made significant strides in implementing our new three-year strategy across our business areas. It is designed to reducing time to market, reducing development investments and risks, making it easier to be a partner upstream or downstream in the industry while enhancing sustainability by reducing environmental impact across the value chain. Our exceptional business model has led to record-breaking revenues and global market expansion.

We are committed to creating a workplace where employees can thrive mentally and physically. Through regular feedback and engagement initiatives, we strive to understand and address employee needs, ensuring a positive and supportive work culture. This year we have introduced Pascal Days, an annual event that brings together employees from around the world. We do this to further strengthen our team and build on the already close relationships. At Pascal we have 95% employee retention, which is a significant reason behind the results we are creating. When we talk about the power behind great sound, we know the power lies in the people.

Pascal A/S Strengthens Leadership Team for Continued Growth

Our continued growth has necessitated a reevaluation of our organizational structure. The establishment of an executive level has provided the governance and strategic focus required to drive our ambitious expansion plans:

- Henrik Thomsen strengthens our innovation engine as Chief Research and Development Officer, with a proven track record in developing cutting-edge solutions with experience from multiple frontrunner companies.
- Thorlak Vestergaard, a seasoned leader, as Chief Operations Officer, leveraging his experience in optimizing processes and driving operational excellence to the benefit of our customers.
- Rebecca Collard joins as Chief People and Culture Officer, bringing her expertise in fostering a high-performing and engaged workforce, crucial for scaling effectively.

All three executives boast extensive experience in leading and growing large companies. Their strategic insights will be instrumental in propelling Pascal A/S to a prominent position within the Professional Audio industry.

“Pascal's value proposition is to bring great ROI at minimal risk. Specifically, Pascal brings relevant, reliable and sustainable audio solutions that minimizes time-to-market and investments.

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Customer-Centric Excellence

Our relentless commitment to our partners' success has driven us to deliver a series of groundbreaking product solutions and innovative services throughout the fiscal year. We have also strengthened our partnerships to provide comprehensive solutions to our customers and leverage the latest technologies.

We are excited about the future, and we remain committed to serving our customers with dedication and innovation. We thank our employees, customers, partners, and stakeholders for their trust and support, which has been instrumental in our continued success.

Jan Gustaf Höskuldsson
CEO

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Financial highlights

An exiting year for Pascal with record breaking revenues and new acquisitions, as well as optimization of the Blaze America's business to secure sustainable growth.

Outlook
We are excited to announce that even more game-changing innovations are on the horizon, that will further enhance the value we provide to our eco-system partners and accelerate our growth. These new developments will solidify our business model as a leading solutions provider in the pro audio industry. This will set the stage for continued success in the years to come.

We expect revenue of DKKm 255-275, sustaining our double-digit growth. Profitability is maintained with Cash EBITDA of DKKm 25-35.

Pascal Group achieved record-breaking revenues of DKK 223 million, representing a 24% year-over-year growth. While this is a significant accomplishment, it fell short of the targeted DKK 250 million due to underperformance in specific Blaze business areas, primarily in the Americas but also to some extent in EMEA and APAC.

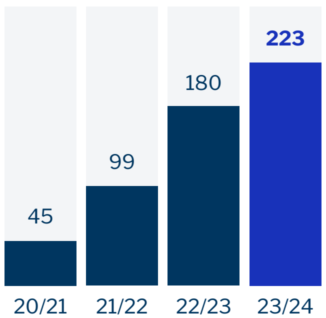
To address these challenges, Blaze's Americas management and a substantial portion of the sales force have been replaced, and a comprehensive review and adjustment of the Americas strategy have been implemented.

The Group's Cash EBITDA was adversely impacted by the shortfall in sales, coupled with strategic decisions to adjust the role of Blaze Americas, including the termination of active loudspeaker development in North Carolina and layoffs in the Pennsylvania office. As a result, Cash EBITDA finished at DKK 25 million, below the financial year target of DKK 40 million.

These factors, along with the cash acquisition of Cornered Audio and deliberate investments in extra Net Working Capital, contributed to cashflows falling short of budget and target. Down-paid Loan to Group further impacted the Group's cash position.

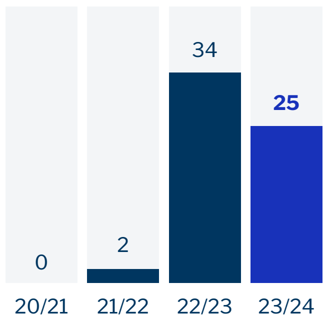
Revenue
(DKKm)

223m



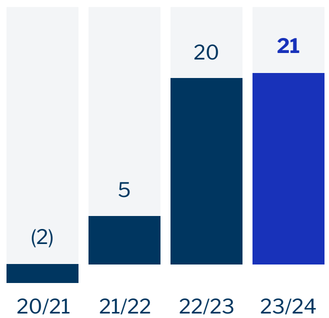
Cash EBITDA
(DKKm)

25m



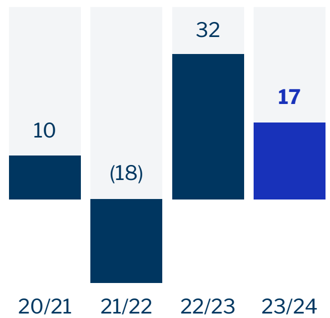
Net result
(DKKm)

21m



Cash flow from operating activities
(DKKm)

17m



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Financial performance for the group

DKKm	2023/24	2022/23	2021/22
Revenue	223,256	179,556	99,474
Gross profit	122,242	112,317	60,132
Cash EBITDA	25,061	33,501	2,242
EBIT	26,288	32,151	7,572
Net financials	334	-1,764	876
EBT	26,622	30,387	8,448
Earnings for the year	20,541	19,961	5,228
Cash flow from operations	16,989	32,094	-18,451
Total assets	120,083	90,699	63,714
Investments in property, plant and equipment	748	1,565	2,196
Equity	68,334	48,494	28,283
Gross margin	54.8%	62.6%	60.4%
EBIT-margin	11.8%	17.9%	7.6%
Current ratio	1.99	1.92	1.43
Return on equity	30.1%	41.2%	18.5%
Equity ratio	56.9%	53.5%	44.4%

Refer to accounting policies for definition of financial ratios and glossary.

Refer to note 1 Material errors for explanation to changes in financial performance compared to previously reported.

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Our strategy

Changing the game

Design and prepare the future of excellent pro audio. Build the foundation for next growth step and market leadership.

Core business

Optimize and accelerate core pro audio business. Double digits revenue growth and even greater profitability.

What we deliver

High quality/price ratio combined with a simplicity driven excellent customer experience. This is obtained through our integrated approach, cutting-edge app-based interactions, full-spectrum installation solutions, rapid supply chain, and forward-thinking business model collectively position us as a pioneering force in the pro audio industry enabling and empowering all our partners in the value chain. We embody a commercially driven engineering powerhouse, with an exceptional and competitive supply chain and a deep understanding of user experience being an end-customer or integrator on location . Our repertoire encompasses cutting-edge offerings in digitalization and AI. Leveraging our proficiency in software and infrastructure, we are primed to create impactful solutions that truly stand out.

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Our 5 guiding principles

Changing the game

1

Enable and Empower all partners across the entire value stream

Our aim is to empower every partner throughout the entire value stream, encompassing distributors, dealers, and customers/locations at all downstream layers making it possible to add value in all markets, cultivating an outside in mindset.

2

Mass market-oriented standardized environmentally focused solutions

We embrace and aspire to offer standardized solutions with minimal usage of resources that cater to the requirements of 80% of the locations within our target segments and strive to make a positive contribution to the circular economy.

3

Intelligent sustainable solutions will be part of the value chain design

Our goal is designing products for new business horizons. Imagine products seamlessly integrating with apps, tracking energy consumption and carbon footprint aiming to minimize the environmental impact. Innovation knows no bounds.

4

Keeping People at the center of what we do

We commit to continuously work on creating a workplace focusing on the well-being of the team, striving to enable and support the individual in utilizing their talents to create a meaningful work-life and create value for our customers and partners.

5

Simplicity in everything we do

Smooth the customer journey by removing barriers and streamline workflows by removing unnecessary steps. Automate processes without overcomplicating, apply simple designs and clear communications. Educate employees to embrace simplicity. Continuously evaluate and adapt.

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Pascal business area

At Pascal Audio, we're driven by a relentless commitment to our OEM[1] customers. We aim to be the go-to partner in the Pro Audio industry, offering customized high-quality amplification solutions with unparalleled speed to market. We take pride in our customer-centric mindset, ensuring that every interaction with Pascal, from innovative product solutions to swift, reliable deliveries, is as smooth as it can be.

Pascal key events

October 2023

Increased SW Capacity
Our 60% expansion in internal software development capacity strengthens our commitment to software-defined installations, giving our customers a significant competitive advantage through increased system flexibility and faster deployment of new installations.

November 2023

8CH Amplifiers
The launch of 8-channel IP/PzC amplifiers are expected to drive increased revenue by addressing the growing demand for higher channel density in installation applications.

February 2024

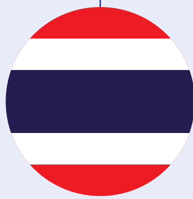
Addition to the Pascal Commercial team in US
Increasing our presence and focus on the leading market within pro audio across all US regions.

May 2024

Pascal Days
We held the first annual Pascal Days, bringing together the People behind great sound to strengthen organization and solidify our strategic vision.

June 2024

Established additional Manufacturing Centre of Excellence in Thailand
Pascal Thailand office will become a gateway into further developing services and offerings for excellence in delivery model.



January 2024

Executive Management Team
Establishment of executive management team following the onboarding of three new CXO. A major milestone in securing mature governance structure and strategic focus required to deliver on ambitions.

The Pascal brand is synonymous with innovation in amplification solutions and software controls, catering to a wide spectrum of sectors, from commercial installations to residential settings, portable PA[2] systems, and the dynamic world of touring and live events.

Pascal provides great return on investment at minimal risk to branded audio manufacturers by enabling our customers to launch relevant, reliable and sustainable audio solutions that minimizes time-to-market and investments.

1) OEM - Original equipment manufacturer
2) PA - Professional audio

Find more information on www.pascal-audio.com

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Blaze business area

Blaze Audio delivers commercially simple and sustainable, professional audio solutions at a superior performance/cost ratio to partners and end-users.

Blaze Audio is on a mission to service the commercial installation sector, as the preferred choice for distribution and installation partners. We offer a seamless and efficient experience, providing specialized amplification, control systems, and speakers tailored to the unique needs of this sector.

Blaze Audio key events

July 2023

AoIP Amplifiers
Pascal is capitalizing on the rapidly expanding Audio-over-IP market with the launch of Dante™ equipped amplifiers. This strategic move, coupled with Blaze Audio's expansion into AoIP-amplifiers, positions us for significant growth and market share capture.

September 2023

CCA10i wins SVC's 2023
Best in Market for its speaker with the innovative Constant Curvature waveguide for unprecedented array coherence.

January 2024

Introducing the Constant Beamwidth Loudspeaker (CBL) Series
The CBL-Series loudspeakers feature a patented acoustic design that streamlines installation and tuning, significantly reducing labor costs associated with complex audio setups.

April 2024

SVC's Innovative Product Award
Blaze Audio wins SVC's 2024 Innovative Product Awards for its PowerZone Connect 1008 8CH 1RU amplifier.

May 2024

Ci-Series
Blaze Audio acquires Cornered Audio's Commercial Install (Ci) Loudspeaker series to offering a compelling value proposition for customers seeking a high performance/cost ratio in the commercial install segment.

June 2024

Installation Product Award, "Most Innovative Hardware"
SCN Honors Blaze Audio the Installation Product Awards at InfoComm 2024 in the category "Most Innovative Audio Hardware" for the CBL528 point-source speaker with the patented mid-high frequency gain shading technology.

Find more information on www.blaze-audio.com

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ESG

At Pascal we are committed to operating responsibly and sustainably, contributing positively to society and the environment. Sustainability practices remains deeply integrated into our strategy and business operations, reflecting our belief in creating balance between commercial success and living up to our responsibilities.

Acknowledging our responsibility towards the planet and our people and securing our joint future, we relentlessly work towards developing even better environmentally friendly products, while maintaining a safe and nurturing work environment. Our commitment to sustainability extends throughout our business operations, from product design and manufacturing to supply chain management. We prioritize energy efficiency, product longevity, and ethical sourcing practices. Our products are engineered for durability and optimized for resource efficiency, reducing environmental impact and operating costs for customers.

The people of Pascal are the power behind great sound, and we wish to foster a positive and inclusive work environment, prioritizing employee well-being and engagement, while actively promoting a diverse workforce through data-driven recruitment practices. We conduct business with integrity and transparency, adhering to high ethical standards and respecting human rights. This applies to our internal operations and our relationships with suppliers. Pascal is committed to strong corporate governance and ethical decision-making. We maintain open communication with stakeholders, value their feedback, and ensure transparency in our operations. By integrating sustainability and social responsibility into our business practices, Pascal aims to create a positive impact on the industry and the environment while maintaining our commitment to quality and innovation.

Sustainability is in our DNA
Ever since founded in 2006 Pascal has been committed to developing competitive high quality and long-lasting products, that stays relevant and operational in the market for decades. Our focus on optimizing the power consumption and reducing the use of components in our products, for the benefit of the environment and our customers is part of our DNA. Our products are engineered with a focus on energy efficiency from the ground up. Years of real-world experience and continuous investment in innovation allow us to constantly refine our designs for a more sustainable lifecycle. The compact form factor translates to fewer materials used and reduced carbon footprint from shipping. Our dedicated team is committed to ongoing design improvements, resulting in not only enhanced energy efficiency but also extended product lifespan.

Our ESG journey
2024 was the year we officially embarked on our journey towards CSRD compliance.

2024

Q1	ESG longlist
Q2 – Q3	DMA[1] work including IRO[2]
Q3	Our first climate assessment done, establishing our baseline
Q4	DMA ready
Q4	Target setting

1) Double Materiality Assessment
2) Impact, Risks & Opportunities

Future Outlook
In 2024, Pascal conducted our first climate assessment. The report highlights the positive impact of our internal decisions on reducing CO_2e emissions, while also identifying areas for improvement in our Sourcing and Supply Chain, primarily within Scope 3. Starting in 2025, all our strategic initiatives will incorporate their positive ESG impact, based on our double materiality assessment. We are confident that our ESG efforts will lead to a reduction in both our own and our customers' CO_2e emissions, through both our products and services offerings.

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Executive management

Gustaf Høskuldsson
CEO

Born 1975 **Joined** October 2019

Previous companies
- Cobham, Senior Vice Presiden Operations and Manufactoring
- Cobham SATCOM, Vice President, Global Operations
- WIDEX, Vice President, Global Supply Chain

Accomplished executive with more than a decade of leadership experience in high-tech industries. Joined Pascal October 2019 as COO took over the position of CEO September 2021.

Proven track record of driving operational excellence and strategic transformation within multinational organizations. Skilled in navigating complex business environments and fostering high-performing teams. Passionate about leveraging technical expertise to deliver innovative solutions and achieve sustainable growth.

Rebecca Collard
Chief People & Culture Officer (CPCO)

Born 1978 **Joined** March 2023

Previous companies
- EPOS audio, Global HR Business Partner
- Sennheiser Communications, Global HR Business Partner
- COWI, HR Consultant

Experienced People profile with more than 10 years experience from large international organisations insuring alignment between business and people priorities and fostering a high-performing and engaged teams. Successfully supported extensively growing organisations through transitions, including mergers and de-mergers, enabling management to navigate the changing environment. Passionate about preparing the people and the organisation for the future and driving the sustainability agenda.

Thorlak Vestergaard
Chief Operations Officer (COO)

Born 1972 **Joined** October 2023

Previous companies
- NIL Technology, VP Manufactoring, Supply Chain and Quality
- Brüel & Kjær, Head of Product Creation Excellence
- Jabra, Senior Director, Global Sales Operations

Experienced leader with more than 25 years of experience within Global Operations, Manufacturing, Supply Chain, R&D and Sales and more than 20 years international leadership experience. Has a long track record of successfullty establishing Operations as a true value add for both customers and companies in the High Tech industry. Passionate about transforming Operations in Pascal to become a significant part of the value proposition.

Henrik Thomsen
Chief R&D Officer (CRDO)

Born 1966 **Joined** January 2024

Previous companies
- Ambu, Director System Architecture and Engineering
- Oticon, Director HW Framework
- Nokia, R&D Director

Seasoned leader with more than 20 years extensive international leadership experience in audio, medical - and mobile phone devices, and the telecom industry. Successfully lead multinational teams to develop and deliver high quality products utilizing the latest technology in a growing system complexity. Passionate about utilizing the experience and great talent within Pascal to make a true difference for our customers and the way Pascal operate in the Pro-Audio industry.

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Board of Directors

Eyal Steinitz
Chairman of the Board

Joined 2022

Competencies
- Drives value creation, strategic agenda, and business-critical change agendas
- Commercial and operational excellence
- Governance and decision-making excellence
- M&A processes, negotiation, and PMI
- Broad insights into finance, legal and IT

Primary Position
- Managing Partner, Omera Consulting P/S

Other Board positions
- Make A/S
- Autorola Group Holding A/S, Autorola A/S, Autocom A/S
- Crosstepper Me-Mover ApS
- Omera Consulting P/S

Peter Frentz
Board member

Joined 2006

Competencies
- Co-founder of Pascal
- 25 years experience in the pro audio industry human due diligence
- B2B sales development
- BoD performance

Primary Position
- CEO, HBV Invest & Consulting

Other Board positions
- Pascal Capital APS

Villads Thomsen
Board member

Joined 2018

Competencies
- Transformational leadership across the value chain in tech-driven companies
- International business development
- Strategic design and execution with focus on digitalization
- Change management and cultural transformation
- Commercial Excellence

Primary Position
- President & CEO, Interacoustics A/S

Other Board positions
- N/A

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Consolidated and parent financial statements

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Income statement
1 July - 30 June

		Group		Parent Company	
DKK 1,000	Note	2023/24	2022/23	2023/24	2022/23
Revenue		**223,256**	**179,556**	**223,256**	**179,556**
Changes in inventories of finished goods and work in progress		-101,014	-67,239	-101,014	-67,239
Gross profit/loss		**122,242**	**112,317**	**122,242**	**112,317**
Work performed for own account and recognised assets		6,316	4,543	6,316	4,543
Other operating income		1	1,176	1	1,176
Other external costs		-30,954	-24,089	-41,352	-19,032
EBITDA before staff costs		**97,604**	**93,948**	**87,207**	**99,004**
Staff costs	2	-61,714	-50,756	-53,162	-42,480
EBITDA		**35,891**	**43,192**	**34,045**	**56,525**
Depreciation/amortisation and impairment losses on property, plant and equipment and intangible assets		-9,560	-9,443	-9,409	-8,786
Other operating costs		-43	-1,598	0	-886
EBIT		**26,288**	**32,151**	**24,636**	**46,852**
Other financial income	3	1,093	567	1,513	1,186
Other financial expenses		-759	-2,331	-364	-2,172
EBT		**26,622**	**30,387**	**25,784**	**45,867**
Tax on profit/loss for the year	4	-6,081	-10,426	-5,905	-10,413
Earnings for the year	5	**20,541**	**19,961**	**19,879**	**35,454**

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Balance sheet

Assets at 30 June

DKK 1,000	Note	Group 2024	Group 2023	Parent Company 2024	Parent Company 2023
Fixed assets					
Intangible assets	6				
Completed development projects		19,085	14,293	19,085	14,293
Patents, licences and trademarks		5,904	249	5,904	249
Develpment projects in progress		2,178	3,945	2,178	4,239
		27,167	**18,487**	**27,167**	**18,781**
Property, plant and equipment	7				
Fixtures and fittings, tools and equipment		1,644	2,288	1,227	1,426
Leasehold improvements		244	355	244	355
		1,888	**2,643**	**1,471**	**1,781**
Investments					
Equity investments in subsidiaries	8	0	0	876	876
Receivables from subsidiaries	9	0	0	21,768	21,234
Deposits	9	696	693	655	613
		696	**693**	**23,299**	**22,723**
Total fixed assets		**29,750**	**21,823**	**51,936**	**43,285**

DKK 1,000	Note	Group 2024	Group 2023	Parent Company 2024	Parent Company 2023
Current assets					
Inventories					
Raw materials and consumables		26,116	19,789	26,116	19,789
Work in progress		0	2,988	0	2,988
Finished goods and goods for resale		29,360	23,530	29,360	23,530
		55,476	**46,307**	**55,476**	**46,307**
Receivables					
Trade receivables		29,538	15,584	27,861	14,817
Other receivables		598	449	598	449
Prepayments		2,196	1,673	2,042	1,596
		32,332	**17,706**	**30,500**	**16,862**
Cash at bank and in hand		**2,525**	**4,863**	**1,369**	**4,249**
Total current assets		**90,333**	**68,877**	**87,346**	**67,418**
Total assets		**120,083**	**90,699**	**139,282**	**110,703**

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Balance sheet

Equity and liabilities at 30 June

DKK 1,000	Note	Group 2024	Group 2023	Parent Company 2024	Parent Company 2023
Equity					
Contributed capital	10	500	500	500	500
Reserve for currency translation		-249	252	0	0
Reserve for development expenditure		0	0	16,584	14,455
Retained earnings		67,883	47,542	73,029	55,479
Proposed dividends for the financial year		200	200	200	200
Total equity		**68,334**	**48,494**	**90,313**	**70,634**
Provisions					
Provisions for deferred tax	11	4,425	3,671	4,425	3,671
Other provisions		262	0	262	0
Total provisions		**4,687**	**3,671**	**4,687**	**3,671**
Liabilities other than provisions					
Non-current liabilities other than provisions					
Other payables		1,664	2,630	1,664	2,630
		1,664	**2,630**	**1,664**	**2,630**

DKK 1,000	Note	Group 2024	Group 2023	Parent Company 2024	Parent Company 2023
Current liabilities other than provisions					
Payables to credit institutions		10,862	4,422	10,862	4,380
Prepayments received from customers	12	0	997	0	997
Trade payables		22,060	15,126	21,345	14,683
Payables to parent entities		0	1,565	0	1,565
Corporate tax		4,710	7,854	4,534	7,854
Other payables, current		7,767	5,939	5,877	4,288
		45,398	**35,903**	**42,618**	**33,768**
Total liabilities other than provisions		**47,062**	**38,534**	**44,282**	**36,398**
Total equity and liabilities		**120,083**	**90,699**	**139,282**	**110,703**

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Statement of changes in equity

1 July - 30 June

	Group				
DKK 1,000	Contributed capital	Reserve for currency translation	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 July 2023	**500**	**252**	**47,542**	**200**	**48,494**
Distributed dividends	0	0	0	-200	-200
Transferred over the profit appropriation	0	0	20,341	200	20,541
Exchange rate adjustment, foreign subsidiary	0	-501	0	0	-501
Equity at 30 June 2024	**500**	**-249**	**67,883**	**200**	**68,334**

	Parent Company				
DKK 1,000	Contributed capital	Reserve for development expenditure	Retained earnings	Proposed dividends for the financial year	Total equity
Equity at 1 July 2023, reported	**500**	**14,455**	**59,792**	**200**	**74,947**
Material period-period error	0	0	-4,313	0	-4,313
Equity at 1 July 2023, adjusted	**500**	**14,455**	**55,479**	**200**	**70,634**
Distributed dividends	0	0	0	-200	-200
Transferred over the profit appropriation	0	0	19,679	200	19,879
Transferred to development costs reserve	0	9,934	-9,934	0	0
Amortisation and impairment on development assets	0	-7,805	7,805	0	0
Equity at 30 June 2024	**500**	**16,584**	**73,029**	**200**	**90,313**

Penneo dokumentnøgle: 46E38-C5DX5-TGEYB-NT71Y-EDVKK-O5IMS

Cash flow statement

1 July - 30 June

DKK 1,000	Note	Group 2023/24	Group 2022/23
Profit/loss for the year		20,541	19,961
Depreciation, amortisation and impairment losses		9,560	9,443
Other adjustments of non-cash operating items	13	2,887	12,617
Cash generated from operations before changes in working capital		**32,988**	**42,021**
Changes in working capital	14	-15,999	-9,930
Cash generated from operations		**16,989**	**32,091**
Interest income		73	844
Interest expense		-334	-2,608
Corporation tax paid		-7,821	-1,574
Cash flows from operating activities		**8,907**	**28,753**
Acquisition of intangible assets	6	-16,737	-9,829
Acquisition of property, plant and equipment	7	-748	-1,565
Disposal of property, plant and equipment	7	0	359
Cash flows from investing activities		**-17,485**	**-11,035**
External financing:			
Repayment of long-term debt		0	-14,430
Increase in payables to credit institutions		6,440	0
Shareholders:			
Distributed dividends		-200	0
Cash flows from financing activities		**6,240**	**-14,430**
Cash flows for the year		**-2,338**	**3,228**
Cash and cash equivalents at the beginning of the year		4,866	1,575
Unrealised value adjustments for the year			
Cash and cash equivalents at year end		**2,525**	**4,863**

Penneo dokumentnøgle: 46E38-C5DX5-TGEYB-NT71Y-EDVKK-O5IMS

Notes to the consolidated and parent financial statements

Penneo dokumentnøgle: 46E38-C5DX5-TGEYB-NT71Y-EDVKI-O5MS

Note 1
Accounting policies

The annual report of Pascal A/S for 2024 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the consolidated financial statements and the parent company financial statements are consistent with those of last year.

Material errors

The Company has identified material errors in the following area that affect previously presented annual reports:

a) Work performed for own account and recognised under assets

Wages capitalised on development projects shall be presented on a separate line 'Work performed for own account and recognized under assets' in the income statement. Mistakenly, the Company offset these capitalised wages in the financial statement line 'Staff costs' in previous periods.

b) Capitalised external costs

In accordance with the company's procedures, external costs related to the development of internal development projects are initially expensed and subsequently capitalized. During the inspection of the comparative figures, we found that the account used for subsequent capitalization is presented as a reduction in 'Staff costs' in the financial statements. Had the company capitalized these costs at the time of initial recognition, they would not have impacted the accounting line 'Other external costs.' As a result, the offsetting of these costs should also be presented under the accounting line 'Other external costs' instead of 'Staff costs.'

c) Agent considerations over subsidiary

Management has evaluated the accounting aspects, including whether Pascal Inc. acts as an agent or principal in sales transactions. Based on the company's review of the actual facts and circumstances, the Company found that Pascal Inc. does not gain control or risk over the goods received from Pascal A/S or have control over the sales to third parties. It is management's assessment that the actual circumstances are unchanged compared to previous periods. Hence, had this assessment been made earlier, Pascal A/S would not have recognised revenue for the sale of goods to Pascal Inc., and Pascal Inc. would have acted solely as an agent in the transaction, recognising a corresponding agency fee.

d) Sale with repurchase agreement

The comparative figures have been adjusted due to the previous incorrect recognition of sales involving a repurchase agreement. The Group purchases components for use in finished goods and holds them in storage. When ordering from the production supplier, the Group sells these components to the manufacturer. Previously, revenue and cost of sales were recognized upon the sale of the components. However, under the repurchase agreement criteria, these components should not have been recognized as revenue or cost of sales, as control and risk do not transfer. This adjustment reflects a reclassification between revenue and cost of sales, with no impact on the gross margin.

e) Presentation of corporate tax payables

Corporate tax payables was presented as non-current in the comparative figures. However, the entire amount was payable within 12 months.

f) Presentation of equity

In the comparative figures the group equity includes an equity reserve related to development projects. However, the requirement for a separate equity reserve is legal entity requirement and does therefore not apply for the group.

The effect of the identified errors have been recognised directly in equity at the begging of the comparative year. And the comparative figures have been restated.

The financial statements have been corrected as follows:

Penneo dokumentnøgle: 46E38-C5DX5-TGEYB-NT71Y-EDVKK-O5IMS

Note 1

Accounting policies – continued

Income statement

DKK 1,000	Reported Group 2022/23	a)	b)	d)	e)	f)	Adjusted Group 2022/23
Revenue	**184,257**			**-4,701**			**179,556**
Changes in inventories of finished goods and work in progress	-71,940			4,701			-67,239
Work performed for own account and recognised assets	0	4,543					4,543
Other operating income	1,176						1,176
Other external costs	-29,519		5,431				-24,088
Gross profit/loss	**83,974**	**4,543**	**5,431**	**0**	**0**	**0**	**93,948**
Staff costs	-40,782	-4,543	-5,431				-50,756
Depreciation/amortisation and impairment losses on property, plant and equipment and intangible assets	-9,443						-9,443
Other operating costs	-1,598						-1,598
Profit/loss before financial income and expenses	**32,151**	**0**	**0**	**0**	**0**	**0**	**32,151**
Other financial income	567						567
Other financial expenses	-2,331						-2,331
Profit/loss before tax	**30,387**	**0**	**0**	**0**	**0**	**0**	**30,387**
Tax on profit/loss for the year	-10,426						-10,426
Profit/loss for the year	**19,961**	**0**	**0**	**0**	**0**	**0**	**19,961**

DKK 1,000	Reported Parent 2022/23	a)	b)	c)	d)	e)	Adjusted Parent 2022/23
Revenue	**185,917**			**-1,660**	**-4,701**		**179,556**
Changes in inventories of finished goods and work in progress	-73,196			1,554	4,701		-66,941
Work performed for own account and recognised assets	0	4,543					4,543
Other operating income	1,176						1,176
Other external costs	-22,924		5,431	-1,834			-19,327
Gross profit/loss	**90,973**	**4,543**	**5,431**	**-1,940**	**0**	**0**	**99,007**
Staff costs	-32,505	-4,543	-5,431				-42,479
Depreciation/amortisation and impairment losses on property, plant and equipment and intangible assets	-8,787						-8,787
Other operating costs	-886						-886
Profit/loss before financial income and expenses	**48,795**	**0**	**0**	**-1,940**	**0**	**0**	**46,855**
Other financial income	1,257			-73			1,184
Other financial expenses	-2,172						-2,172
Profit/loss before tax	**47,880**	**0**	**0**	**-2,013**	**0**	**0**	**45,867**
Tax on profit/loss for the year	-10,413			0			-10,413
Profit/loss for the year	**37,467**	**0**	**0**	**-2,013**	**0**	**0**	**35,454**

Penneo dokumentnøgle: 46E38-C5DX5-TGEYB-NT71Y-EDVKK-O5IMS

Note 1

Accounting policies – continued

Assets

DKK 1,000	Reported Group 2022/23	a)	b)	d)	e)	f)	Adjusted Group 2022/23
Fixed assets							
Intangible assets	18,487						18,487
Property, plant and equipment	2,643						2,643
Investments	693						693
Total fixed assets	**21,823**	**0**	**0**	**0**	**0**	**0**	**21,823**
Current assets							
Inventories	46,307	0	0				46,307
Receivables							
Trade receivables	15,584						15,584
Other receivables	449						449
Prepayments	1,673						1,673
	17,706	**0**	**0**	**0**	**0**	**0**	**17,706**
Cash at bank and in hand	**4,863**						**4,863**
Total current assets	**68,876**	**0**	**0**	**0**	**0**	**0**	**68,876**
Total assets	**90,699**	**0**	**0**	**0**	**0**	**0**	**90,699**

DKK 1,000	Reported Group 2022/23	a)	b)	c)	d)	e)	Adjusted Group 2022/23
Fixed assets							
Intangible assets	18,781	0	0	0	0		18,781
Property, plant and equipment	1,781	0	0	0	0		1,781
Investments	30,236	0	0	-7,513	0		22,723
Total fixed assets	**50,798**	**0**	**0**	**-7,513**	**0**	**0**	**43,285**
Current assets							
Inventories	43,107	0	0	3,200	0		46,307
Receivables							
Trade receivables	14,817						14,817
Other receivables	449						449
Prepayments	1,596						1,596
	16,862	**0**	**0**	**0**	**0**	**0**	**16,862**
Cash at bank and in hand	**4,249**						**4,249**
Total current assets	**64,218**	**0**	**0**	**3,200**	**0**	**0**	**67,418**
Total assets	**115,016**	**0**	**0**	**-4,313**	**0**	**0**	**110,703**

Penneo dokumentnøgle: 46E38-C5DX5-TGEYB-NT71Y-EDVKK-O5IMS

Note 1

Accounting policies – continued

Equity and liabilities

DKK 1,000	Reported Group 2022/23	a)	b)	d)	e)	f)	Adjusted Group 2022/23
Equity							
Contributed capital	500						500
Reserve for currency translation	0					252	252
Reserve for development expenditure	14,226					-14,226	0
Retained earnings	33,568					13,974	47,542
Proposed dividends for the financial year	200						200
Total equity	**48,494**	**0**	**0**	**0**	**0**	**0**	**48,494**
Total provisions	**3,671**	**0**	**0**	**0**	**0**	**0**	**3,671**
Liabilities other than provisions							
Non-current liabilities other than provisions	**10,467**	**0**	**0**		**-7,837**	**0**	**2,630**
Current liabilities other than provisions	**28,067**	**0**	**0**		**7,837**	**0**	**35,904**
Total liabilities other than provisions	**38,534**	**0**	**0**	**0**	**0**	**0**	**38,534**
Total equity and liabilities	**90,699**	**0**	**0**	**0**	**0**	**0**	**90,699**

DKK 1,000	Reported Parent 2022/23	a)	b)	c)	d)	e)	Adjusted Parent 2022/23
Equity							
Contributed capital	500						500
Reserve for currency translation	0						0
Reserve for development expenditure	14,455						14,455
Retained earnings	59,792			-4,313			55,479
Proposed dividends for the financial year	200						200
Total equity	**74,947**	**0**	**0**	**-4,313**	**0**	**0**	**70,634**
Total provisions	**3,671**	**0**	**0**	**0**	**0**	**0**	**3,671**
Liabilities other than provisions							
Non-current liabilities other than provisions	**10,467**	**0**	**0**	**0**	**0**	**-7,837**	**2,630**
Current liabilities other than provisions	**25,931**	**0**	**0**	**0**	**0**	**7,837**	**33,768**
Total liabilities other than provisions	**36,398**	**0**	**0**	**0**	**0**	**0**	**36,398**
Total equity and liabilities	**115,016**	**0**	**0**	**-4,313**	**0**	**0**	**110,703**

Penneo dokumentnøgle: 46E38-C5DX5-TGEYB-NT71Y-EDVKK-O5IMS

Note 1

Accounting policies – continued

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, Pascal A/S, and subsidiaries in which Pascal A/S directly or indirectly holds more than 50% of the votes or in some other way exercises control over.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends and realised and unrealised gains and losses on intra-group transactions are eliminated.

Equity investments in subsidiaries are set off against the proportionate share of subsidiaries' fair value of net assets and liabilities at the date of acquisition.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Upon recognition of foreign subsidiaries and participating interests (including associates) which are independent entities, the income statements are translated into Danish kroner at average exchange rates for the month, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising upon translation of foreign subsidiaries' opening equity and results at the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of balances with independent foreign subsidiaries considered part of the total investment in the subsidiary are recognised directly in equity. Similarly, foreign exchange gains and losses on loans and derivative financial instruments taken out for the purpose of hedging investments in foreign subsidiaries are recognised directly in equity.

Income statement

Revenue

Income from the sale of goods, comprising the sale of finished goods, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ®2020.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Changes in inventories of finished goods and work in progress

Changes in inventories of finished goods and work in progress comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Other operating income

Other operating income comprises items secondary to the activities of the Company, including gains on the disposal of intangible assets and property, plant and equipment as well as payroll refunds.

Other external costs

Other external costs comprise costs of distribution, sales and advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs.

Other operating costs

Other operating costs comprise items secondary to the activities of the Group, including losses on the disposal of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments in subsidiaries and participating interests (including associates) measured at cost are recognised as income in the parent company income statement in the financial year when the dividends are declared.

In case of indication of impairment, an impairment test is conducted. Indication of impairment exists if distributed dividends exceed profit for the year or if the carrying amount of equity investments exceeds the consolidated carrying amounts of the net assets in the subsidiary.

Tax on profit/loss for the year

The Parent Company is comprised by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Penneo dokumentnøgle: 46E38-C5DX5-TGEYB-NT71Y-EDVKK-O5IMS

Note 1

Accounting policies – continued

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Balance sheet

Intangible assets

Patents, licences and trademarks
Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining life of the patent, and licences are amortised over the contract period, however, not exceeding 3-7 years.

Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Investments

Equity investments in subsidiaries are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

Other receivables and deposits are recognised at amortised cost.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in subsidiaries and participating interests (including associates) is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries as well as indirect production costs.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Equity

Reserve for development costs
An amount corresponding to capitalised development costs is recognised in the reserve. The reserve is reduced as development costs are amortised.

Dividends
The expected dividend payment for the year is disclosed as a separate item under equity.

Provisions

Provisions comprise anticipated costs of replacement or repair. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

Penneo dokumentnøgle: 46E38-C5DX5-TGEYB-NT71Y-EDVKK-O5IMS

Note 1

Accounting policies – continued

Warranties comprise obligations to make good any defects within the warranty period. Provisions are recognised based on the Company's experience with warranties. Provisions expected to be maintained for more than one year from the balance sheet date are discounted at a rate reflecting risk and the due date for payment.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences that arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

The liability in relation to frozen holiday funds is measured at net realisable value, including indexation. Indexation adjustments are recognised as interest expense in the income statement.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at amortised cost.

Prepayments received from customers

Prepayments received from customers comprises payments received regarding income in subsequent years.

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and divestment of entities is shown separately in cash flows from investing activities. Cash flows relating to acquired entities are recognised in the cash flow statement from the date of acquisition, and cash flows relating to divested entities are recognised up to the date of divestment.

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in size or composition of the Company's share capital and costs in this respect as well as raising of loans, instalments on interest-bearing debt and distribution of dividends to owners.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Glossary

Cash EBITDA: EBITDA adjusted for capitalisation of work performed for own account.

The financial ratios have been calculated as follows:

Gross margin $\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$

EBIT margin $\frac{\text{EBIT x 100}}{\text{Revenue}}$

Current ratio $\frac{\text{Current assets x 100}}{\text{Short-term debt}}$

Return on equity $\frac{\text{Profit after tax x 100}}{\text{Average equity}}$

Equity ratio $\frac{\text{Equity ex.non-controlling interests at year end x 100}}{\text{Total equity and liabilities at year end}}$

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Note 2
Staff costs

DKK 1,000	Group 2023/24	Group 2022/23	Parent Company 2023/24	Parent Company 2022/23
Wages and salaries	54,860	46,118	47,694	39,009
Pensions	6,663	4,503	5,276	3,336
Other social security costs	191	135	191	135
	61,714	**50,756**	**53,162**	**42,480**
Average number of full-time employees	**73**	**52**	**60**	**42**

Staff costs of the Group and the Parent Company include remuneration of the Parent Company's Executive Board and Board of Directors, DKK 2.206 thousand (2022: DKK 3.142 thousand).

At 1 April 2023, the Company decided to issue 57,829 warrants, free of charge, to its key employees, management, consultants, and board members.

At 30 June 2024, 36,068 warrants were granted. Each warrant provides the right to subscribe for one new share in the Company. The exercise price varies between DKK 56.16 and DKK 374.4. Vesting depends on the warrant holders continued association with the Company and with vesting conditions related to an exit, defined as a majority share transfer, sale of Company's activities, or an IPO.

In case of an Exit, all warrants vest immediately. If no Exit occurs by 31 December 2030, the warrant holders can exercise the warrants within a set period.

Note 3
Financial income

DKK 1,000	Group 2023/24	Group 2022/23	Parent Company 2023/24	Parent Company 2022/23
Interest income from subsidiaries	0	0	419	618
Other financial income	1,093	567	1,093	568
	1,093	**567**	**1,513**	**1,186**

Note 4
Tax on profit/loss for the year

DKK 1,000	Group 2023/24	Group 2022/23	Parent Company 2023/24	Parent Company 2022/23
Current tax for the year	5,039	9,393	4,863	9,380
Deferred tax adjustment for the year	754	1,033	754	1,033
Adjustments of tax concering previous years	289	0	289	0
	6,082	**10,426**	**5,906**	**10,413**

Note 5
Proposed profit appropriation

DKK 1,000	Group 2023/24	Group 2022/23	Parent Company 2023/24	Parent Company 2022/23
Proposed dividends for the financial year	200	200	200	200
Retained earnings	20,341	19,761	19,679	35,254
	20,541	**19,961**	**19,879**	**35,454**

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Note 6

Intangible assets

DKK 1,000	Group – Completed development projects	Group – Patents, licences and trademarks	Group – Develpment projects in progress
Cost at 1 July 2023	54,803	782	7,076
Additions	8,878	5,907	1,952
Transferred	3,719	0	-3,719
Disposals	-10,209	0	-3,131
Cost at 30 June 2024	57,191	6,689	2,178
Amortisation and impairment losses at 1 July 2023	40,510	533	3,131
Amortisation	7,805	252	0
Disposals	-10,209		-3,131
Amortisation and impairment losses at 30 June 2024	38,106	785	0
Carrying amount at 30 June 2024	**19,085**	**5,904**	**2,178**

DKK 1,000	Parent Company – Completed development projects	Parent Company – Patents, licences and trademarks	Parent Company – Develpment projects in progress
Cost at 1 July 2023	54,803	782	7,370
Additions	8,878	5,907	1,952
Transferred	4,013	0	-4,013
Disposals	-10,209	0	-3,131
Cost at 30 June 2024	57,485	6,689	2,178
Amortisation and impairment losses at 1 July 2023	40,510	533	3,131
Amortisation	8,099	252	0
Disposals	-10,209	0	-3,131
Amortisation and impairment losses at 30 June 2024	38,400	785	0
Carrying amount at 30 June 2024	**19,085**	**5,904**	**2,178**

Completed development projects and development projects in progress

The development projects in progress relates to development of innovative versions of the company's existing software solutions. Some of these projects are expected to be completed by 2024, with others set for 2025 and 2026. Progress has been on schedule, utilizing the resources allocated by management. The software is intended to enhance amplifier performance and will target the company's existing customer base. Prior to the projects' initiation, customer feedback on potential improvements was collected, and the response was positive.

Completed projects include advanced amplification algorithms. These solutions were successfully finalized, providing economic benefits. Market analysis indicates that the solutions developed in 2024 will generate considerable returns, with expected increases in revenue in subsequent years. Management has not identified any indications related to impairment.

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Note 7

Property, plant and equipment

DKK 1,000	Group: Fixtures and fittings, tools and equipment	Group: Leasehold improvements	Parent Company: Fixtures and fittings, tools and equipment	Parent Company: Leasehold improvements
Cost at 1 July 2023	10,911	771	9,444	771
Additions	677	71	677	71
Cost at 30 June 2024	11,588	842	10,121	842
Depreciation and impairment losses at 1 July 2023	8,623	416	8,018	416
Depreciation	1,321	182	876	182
Depreciation and impairment losses at 30 June 2024	9,944	598	8,894	598
Carrying amount at 30 June 2024	**1,644**	**244**	**1,227**	**244**

Note 8

Investments

DKK 1,000	Parent Company: 30/06 2024	Parent Company: 30/06 2023
Equity investments in subsidiaries		
Cost at 1 July	876	876
Cost at 30 June	876	876
Impairment losses at 1 July	0	0
Impairment losses at 30 June	0	0
Carrying amount at 30 June	**876**	**876**

Name/legal form	Registered office	Equity interest	Equity	Profit/loss for the year
Subsidiaries:				
Pascal Inc.	Pennsylvania, USA	100%	-31,861	662
Total			**-31,861**	**662**

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Note 9

Fixed assets

DKK 1,000	Group	Parent Company	
	Deposits	Receivables from subsidaries	Deposits
Cost at 1 July	693	28,747	613
Addition	3	0	42
Disposals	0	-6,979	0
Cost at 30 June	**696**	**21,768**	**655**

Note 10

Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions etc.

Note 11

Contributed capital

Contributed capital consists of of 500,000 shares of nom DKK 1 each. All shares rank equally.

Note 12

Deferred tax

DKK 1,000	Group		Parent Company	
	30/06 2024	30/06 2023	30/06 2024	30/06 2023
Deferred tax at 1 January	3,671	2,638	3,671	2,638
Deferred tax adjustment for the year in the income statement	754	1,033	754	1,033
	4,425	**3,671**	**4,425**	**3,671**
Provisions for deferred tax relate to:				
Intangible assets	4,814	4,072	4,814	4,072
Property, plant and equipment	-389	-401	-389	-401
	4,425	**3,671**	**4,425**	**3,671**

Note 13

Prepayments received from customers

Prepayments received from customers comprise payments received from customers that cannot be recognised until the subsequent financial year.

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Note 14
Other adjustments

DKK 1,000	Group 2023/24	Group 2022/23
Other financial income	1,093	567
Financial expenses	-759	-2,331
Tax on profit/loss for the year	-6,081	-10,426
Provisions	-262	0
Other	3,122	-427
	-2,887	**-12,617**

Note 15
Changes in working capital

DKK 1,000	Group 30/06 2024	Group 30/06 2023
Change in inventories	-9,169	-23,917
Change in receivables	-14,625	1,846
Change in trade and other payables	7,795	12,142
	-15,999	**-9,930**

Note 16
Contractual obligations, contingencies, etc.

The Group's Danish entities and its Parent Company, Pascal Capital ApS, are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax as well as for the joint registration for VAT. The jointly taxed entities' total net liability to SKAT amounted to DKK 4.612 thousand at 30 June 2024. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.

Operating lease obligations
The Company has entered into operating leases with a remaining term of 6 - 12 months and an average monthly lease payments of DKK 8,553 thousand, totalling DKK 25,658 thousand.

Note 17
Mortgages and collateral

The Company has provided a floating charge of DKK 10,000 thousand over unsecured receivables, inventories of raw materials, work in progress, and finished goods, as well as operating equipment, materials, and intangible assets as security for all outstanding balances with Danske Bank.

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Note 18

Related parties

Pascal A/S' related parties comprise the following:

Control

Pascal Capital ApS holds the majority of the contributed capital in the Company.

Pascal A/S is part of the consolidated financial statements of Pascal Capital ApS, Ellekær 6A, 2., 2730 Herlev, which are the smallest and largest group in which the Company is included as a subsidiary.

The consolidated financial statements of Pascal Capital ApS can be obtained by contacting the companies at the above addresses.

Related party transactions

	Parent Company	
DKK 1,000	2023/24	2022/23
Purchase of agency services	20,948	1,834

Remuneration to the Parent Company's Executive Board and Board of Directors is disclosed in note 2.

Balances with parent entities and subsidiaries are disclosed in the financial position, and interests is disclosed in note 3.

Note 19

Events after the balance sheet date

There have not been any events after the balance sheet date which impact the financial statements for the period 1 July 2023 to 30 June 2024.

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Pascal A/S for the financial year 1 July 2023 – 30 June 2024.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 30 June 2024 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 July 2023 – 30 June 2024.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's activities and financial matters, of the results for the year and of the Group's and the Parent Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 15 november 2024

Executive Board

Jan Gustaf Höskuldsson

Board of Directors

Eyal Steinitz
Chairman

Peter Frentz

Jens Villads Bjerregaard Thomsen

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Independent auditor's report

To the shareholders of Pascal A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Pascal A/S for the financial year 1 July 2023 – 30 June 2024 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 30 June 2024 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 July 2023 – 30 June 2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" section of our report.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the consolidated financial statements and the parent company financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these consolidated financial statements and parent company financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the consolidated financial statements and the parent company 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 Group's and the Parent Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements and, based on the audit

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evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent company 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 Group and the Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent company financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the consolidated financial statements or the parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the consolidated financial statements and the parent company financial statements and has been prepared in accordance with the requirements of the Danish

Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 15 november 2024

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Klaus Rytz
State Authorised
Public Accountant
mne33205

Simon Boling Tønnesen
State Authorised
Public Accountant
mne49095

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