



Annual report FY 2023

(DUELL FINANCIAL YEAR: SEPTEMBER 2022-AUGUST 2023)





Contents

- Introduction..... 3
- CEO’s review 4
- Duell in brief 5
- Duell’s vision, mission, values and strategy 6
- 2023 highlights 7
- Market development..... 8
- Outlook, growth strategy and financial targets..... 9
- Customers, products & brand highlights 2023 10
- M&A highlights FY 2023 11
- Geographical growth, online sales and brand portfolio development 12
- Duell as an investment case 13
- Competition..... 14
- Introduction to Duell’s sustainability approach 15
 - Environment 16
 - Social 18
 - Governance 20
- Governance and remuneration..... 22
- Remuneration report 2023 24
- Report of Board of Directors 26
- Financial statement 34
- Notes to the financial statement 38
- Signatures for the financial statement and the report of the Board of Directors..... 46



Introduction

Duell Corporation (Duell) is an import and wholesale company based in Mustasaari, Finland, established in 1983. Duell 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 550 brands. The assortment covers spare parts and accessories for motorcycling, bicycling, ATVs/UTVs, mopeds and scooters, snowmobiling and boating. Logistics centres are in Finland, Sweden, the Netherlands, France and the UK. Duell's net sales in FY 2023 was EUR 119 million and the company employs over 200 personnel. Duell's shares are listed on the Nasdaq First North Growth Market.

www.duell.eu



CEO's review

The 2023 financial year – and Duell's 40th anniversary – was one of the most challenging periods in our history, due to uncertain market conditions and accelerating inflation which pushed market growth into negative territory. The impact was most visible in the Nordic countries, while the rest of the European market witnessed less decline. Among our categories, the bicycle category performed better compared to our largest segment, the motorcycle category.

In the uncertain market conditions, net sales fell by 4% to EUR 119 million. Adjusted EBITA decreased from EUR 8.7 million last year to EUR 4.6 million and the margin from 7.0% to 3.9%. Sales in the Nordics accounted for 59% of total sales and the rest of Europe for 41%. Europe's relative share of total sales grew, and we expect it to grow further.

Duell's own brand sales increased from 21% to 22% and our objective is to expand the share up to 25% in the medium term. The share of e-commerce remained almost at the level of the previous financial year, accounting for 25% of net sales.

To ensure our product availability for retailers following the COVID-19 pandemic, inventory levels were exceptionally high at the beginning of the financial year. Retailers sought to reduce their inventories. These reductions reflected retailers' caution and the difficulty in forecasting consumer demand, affecting our sales. Our key goal in 2023 was to decrease our net working capital and net debt. The continued destocking by retailers reduced net sales, but despite

this we reduced our net working capital by around EUR 8 million during 2023 including the impact of TranAm's net working capital. A significant part of the reduction was achieved by lowering inventory levels and improving procurement terms.

We implemented cost-saving programs to adjust operating costs to lower-than-expected demand and sales. The change negotiations and cost savings program aimed at responding to structural changes in the company's operating environment and at restructuring the organisation to meet strategic objectives with more efficient and leaner structures. The total reduction was 34 positions. Simultaneously, we hired new competences in our management to develop our digital and IT development, Bicycle and Powersports businesses, among others.

In May 2023, we launched a high-priority profitability improvement program. Currently, the program is focusing on the optimisation of the product mix of the Nordic powersport category, as well as on the renewal of purchasing and sales terms. We will expand the program during the 2024 financial year to cover other categories and markets. The benefits of the program will be partly achieved in 2024, but mainly in the 2025 financial year.

Despite market uncertainty, we continued to invest for growth with the March 2023 acquisition of TranAm, a UK-based motorcycle clothing and accessories distributor. The acquisition of TranAm will support Duell's geographic expansion and brand portfolio development. The acquisition will significantly

strengthen Duell's foothold in the major UK markets and provide a platform for future growth.

Duell moved its French logistics centre to new premises in La Cavalier and will focus on distribution and growth in Southern Europe thanks to its increased capacity. Also, the Group's headquarters premises in Mustasaari, Finland were expanded and modernised. In the Mustasaari warehouse, we implemented a new warehouse management system during the year, a shift that will improve the efficiency of our logistics operations.

We continue to implement our three key strategies despite the challenging market situation: geographical market expansion, being a partner for online business, and developing our brand portfolio. In addition, our most important objectives are to improve profitability and strengthen our capital structure during the 2024 reporting period. We will also invest in our digital transformation by building more data driven operations and improve customer experience.

I would like to warmly thank our employees, customers, suppliers, shareholders, and other stakeholders for the financial year 2023.

Jarkko Ämmälä

CEO

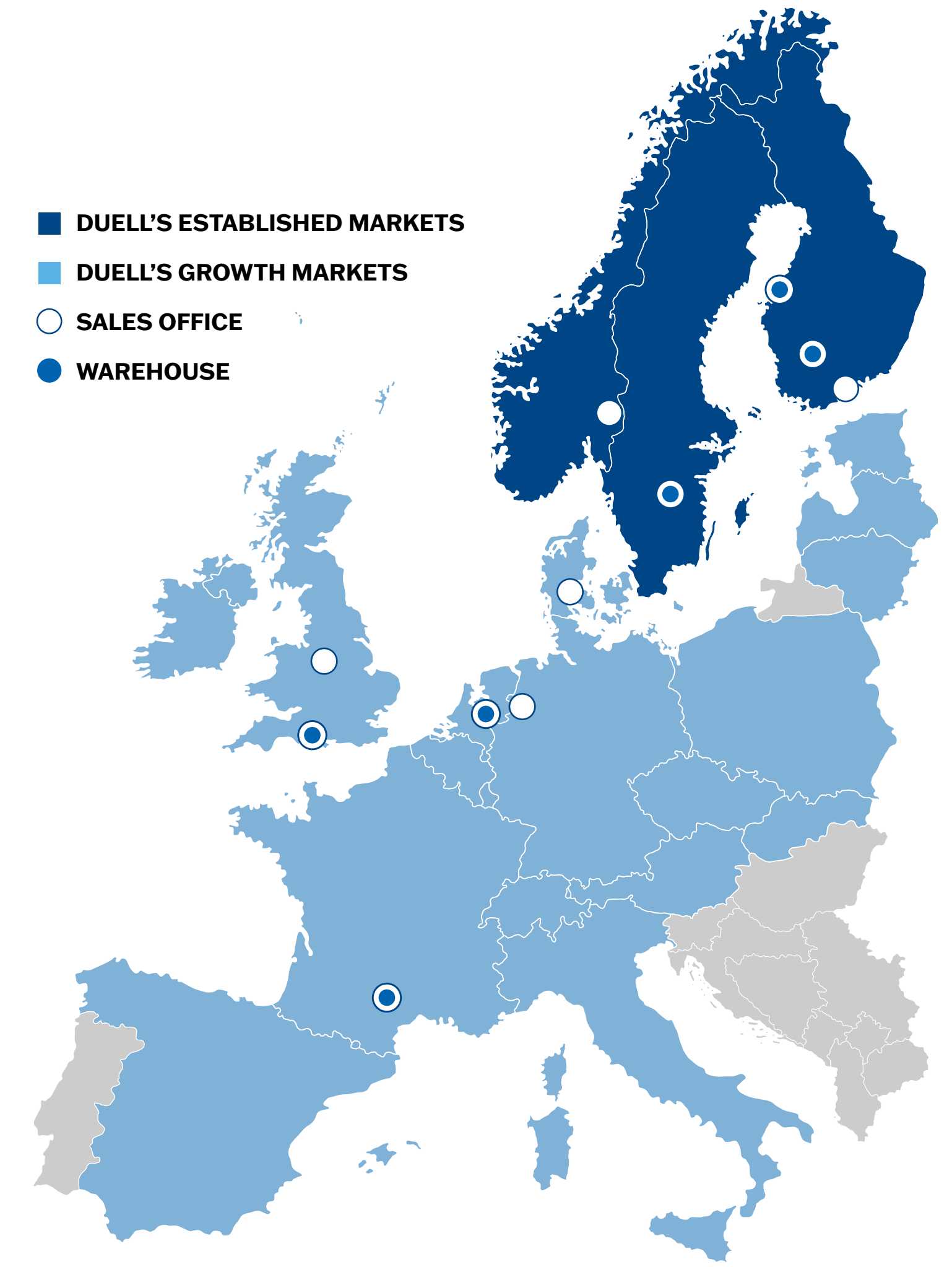
Duell Corporation

» **Our key goal in 2023 was to decrease inventories and net debt.**



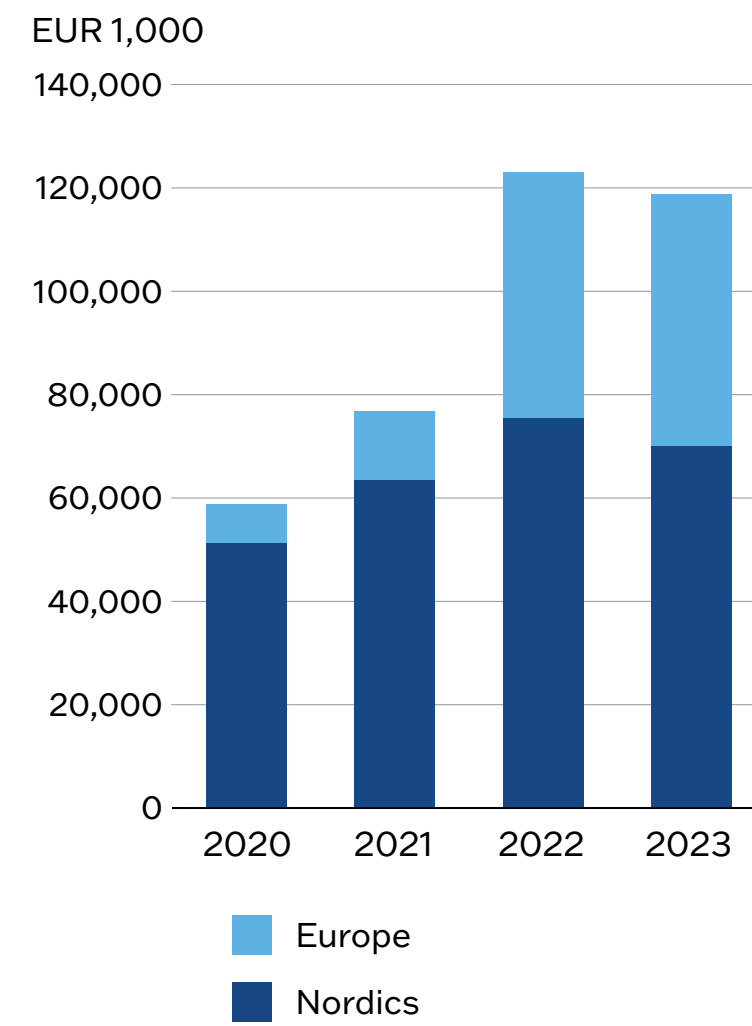
Duell in brief

- DUELL'S ESTABLISHED MARKETS
- DUELL'S GROWTH MARKETS
- SALES OFFICE
- WAREHOUSE



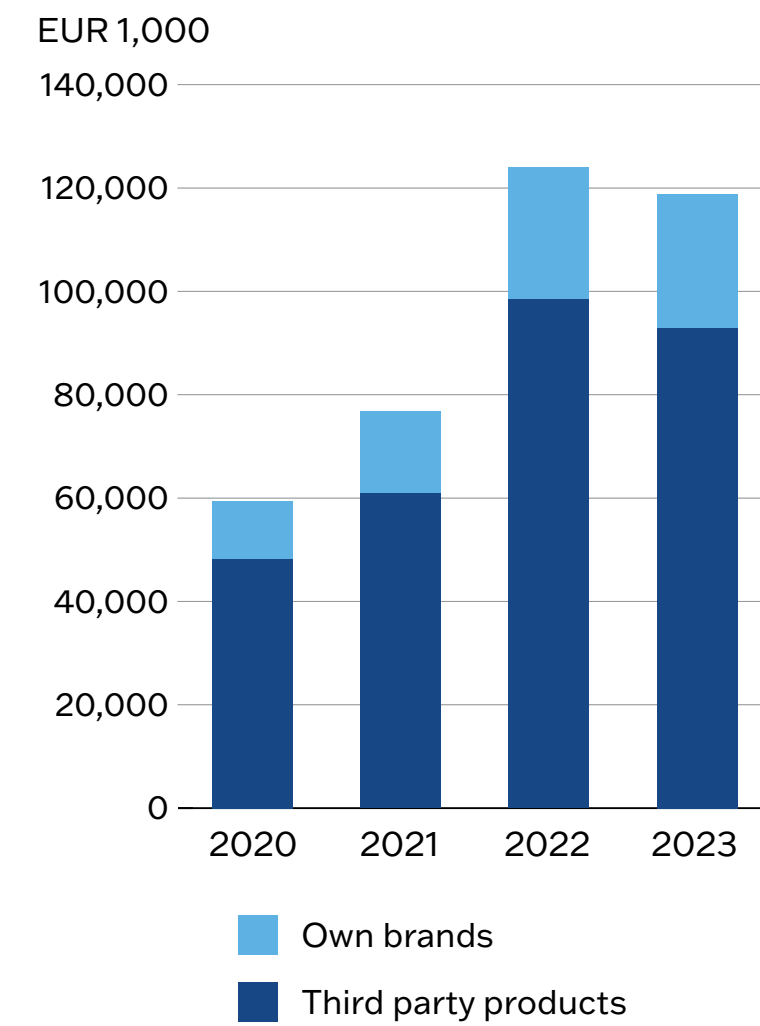
GEOGRAPHICAL GROWTH

Sales by areas

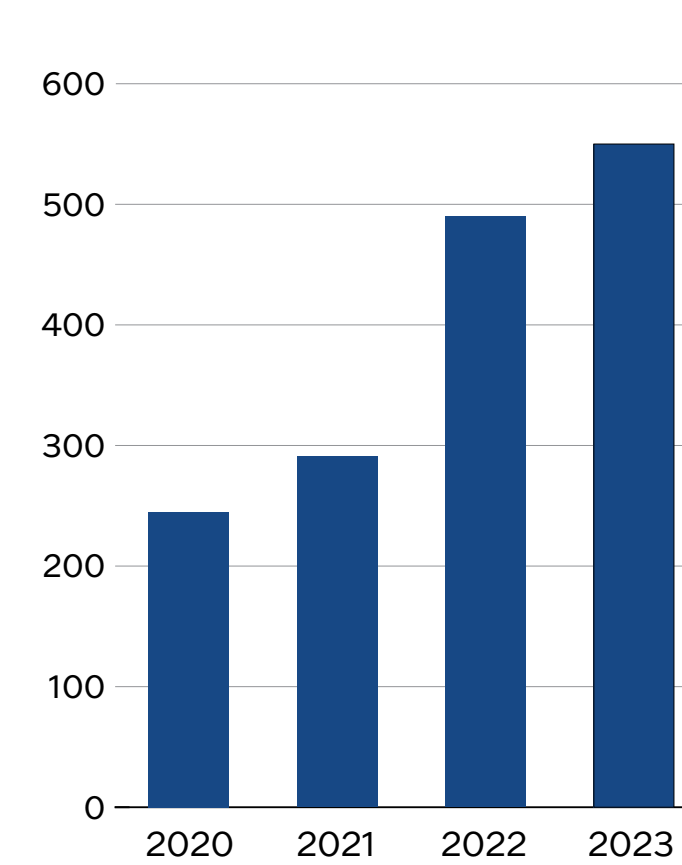


DEVELOPMENT OF BRAND PORTFOLIO

Sales of third party brands and own brand



Number of brands



119 m€

NET SALES IN FY 2023

-4%

NET SALES GROWTH IN FY 2023

3.9%

ADJUSTED EBITA MARGIN IN FY 2023

212

NUMBER OF EMPLOYEES AT THE END OF FY 2023



Duell's vision, mission, values and strategy

VISION

The preferred wholesale partner for brand owners and dealers in Europe

MISSION

To provide the most reliable distribution channel of top brands through dealers to consumers in Europe

VALUES

Passion
Trust
Partnership

STRATEGY

Geographical market expansion
Partner for online sales
Brand portfolio development

2023 highlights

March 2023

Duell successfully completed a directed Share Issue, raising EUR 8.7 million through the offering of 5,090,900 new shares. The proceeds from the Share Issue was used to finance the first instalment of the purchase price in relation to the acquisition of TranAm Ltd. The total number of issued shares after the share issue was 30,545,474.

February 2023

Duell entered into a new financing agreement with Nordea Bank Abp. The arrangement included an EUR 58.5 million senior term and revolving facilities agreement amending the previous financing agreement.

January 2023

Jukka Smolander was appointed a member of Duell's Management Team, with responsibility for the Group's Bicycle business.

October 2022

Duell started change negotiations in Finnish companies in accordance with the Co-operation Act regarding the need to reduce the workforce on production, financial and operational reorganisation grounds.

August 2023

Heidi Markkanen was appointed a member of Duell's Management Team, with responsibility for the Group's ICT and digitalisation.

February 2023

Duell agreed to acquire the entire share capital of the UK-based company TranAm Ltd, a leading distributor and wholesaler of premium clothing and accessories for motorcycling. The acquisition was part of Duell's growth strategy and supports the company's geographical expansion and brand portfolio development. The acquisition also significantly strengthen Duell's foothold in the large UK market, thus providing a platform for future growth.

February 2023

Erwin Van Hoof was appointed a member of Duell's Management Team with responsibility for the Group's Powersports business, including spare parts and accessories for motorcycle, ATV, moped, snowmobile, marine and garden categories.



SCORPION EXO®-R1 HELMET

Duell distributes Scorpion's helmets both in the Nordic and the UK. The Scorpion EXO® Helmet is created by some of the world's best helmet designers. Pulling R&D from some of the top riders in the world, from MotoGP dedicated to providing premium quality safety products.





Market development

Market trends and drivers



Duell's addressable market by segments



- Motorcycle, ATV, snowmobiles, marine
- Bicycle*

*Duell entered the bicycle market through acquisitions. Duell acquired Tecno Globe in 2021, which operates in France and PowerFactory in 2022, which operates in Finland and Sweden.

Motorcycle and bicycle market

Between 2019 and 2025, the motorcycle market was projected to grow at a CAGR of approximately 1.5% in Europe. Duell estimates that the market growth slowed down during 2022 and was negative in 2023. According to Duell's evaluation, the European motorcycle aftersales market size is approximately EUR 6 billion, with the bicycle market at a comparably equal size.

Structural Online Migration

The online aftersales market has been growing faster than the brick-and-mortar store market in Europe. Motorcycle spare parts and personal equipment in Europe is expected to grow from approximately EUR 1.0 billion in 2019 (corresponding to an online share of around 17% of the entire market), to approximately EUR 2.1 billion (around 30% of the market) in 2025.

Increasing Role of Large Distributors

Duell's view is that between 2019 and 2025, the role of large distributors will increase, mainly due to the scale benefits they offer to both brands and dealers. Distributor scale enables broader dealer reach, consistent ordering, cost of sales reduction, branding and marketing support, and better supplier financing, which Duell considers are key distributor selection criteria for brands. In addition, dealers will also benefit from broader brand reach, one-stop-shop simplicity, flexibility in payment terms, efficient ordering processes and local customer experiences. It is estimated that the market share of large distributors will experience above-market growth between 2019 and 2025.

Electrification

Environmental pressures and product innovation are driving an increase in the availability of electric powersports vehicles. Interest in the electric vehicle ("EV") market is promoted by the lower noise levels and the significantly reduced CO₂ emissions that EVs offer throughout their entire life cycle, improving usability in urban areas. Furthermore, tightening emission regulations are expected to push electrification across mobility segments. Electrification has been faster for the bicycles and mopeds segments than for motorcycles.

Source: Duell's own estimate for the years 2021-2023

Outlook, growth strategy and financial targets

Outlook for FY 2024

Market uncertainty and weakness will persist in financial year 2024. Continued inflation and the overall challenging market situation has lowered consumer confidence and demand. These factors will weaken the predictability and therefore Duell is not giving outlook for net sales for financial year 2024.

Duell will continue its profitability improvement programme and plans to strengthen its capital structure in financial year 2024. Duell estimates adjusted EBITA to improve from previous year's level.

Growth strategy

Organic growth and M&A's in new geographical markets

- Duell will gain market share by attracting new customers and increasing market share.
- Duell will expand into new markets and new product categories. Duell will increase country-specific product ranges.
- For larger acquisitions, Duell may consider a combination of debt and equity financing.

Partner for online business

- Duell aims to be a trusted partner for online retailers in the growing business-to-consumer online market, by offering fast and accurate order processing, a one-stop approach to product sourcing, product information on over 150,000 inventory items, dynamic and flexible delivery, pick-up points and direct delivery availability.
- Duell also offers business-to-business e-commerce and system integrations that enable cross-docking, direct delivery, automated processes and ordering, and real-time visibility of inventory levels.
- Duell also aims to support traditional, offline customers in their transition to online commerce. The company also supports traditional offline retailers by providing local services and market expertise in the local language.

Brand portfolio development

- Duell will focus on optimising its brand portfolio with the target of offering products that meet the needs and demand of different markets.
- Duell's aim is to have the top brands and own brands in its portfolio.
- Duell is also considering acquiring its own brands, whereby Duell would own the intellectual property rights for the product design.

Financial targets (3–5 years)

MEDIUM-TERM FINANCIAL TARGETS (3–5 YEARS, TARGETS CHANGED)

Growth*: net sales in the range of EUR 200–300 million in medium-term, achieved through yearly growth, organically and inorganically.

Profitability: adjusted EBITA margin of at least 13% in the medium term.

Leverage: net debt to adjusted EBITDA ratio in the range of 2–3. Leverage may temporarily exceed the target range (for example, in conjunction with acquisitions).

Dividend policy: an annually increasing dividend of at least 30% of the reported net profit each year.

*The growth target remains unchanged, but the timeframe has been changed to the medium-term from the previous 'by the end of 2025' target.



Customers, products & brand highlights 2023

CUSTOMERS

At the end of the 2023 financial year, Duell had a total of approximately 8,500 active retail customers (dealers), with around 4,500 dealers in the Nordic countries and 4,000 dealers in the rest of Europe. Duell gained new customers in the UK as a result of the March 2023 acquisition of TranAm Ltd. The customers consist of non-online dealers, such as retailers, specialist shops, garages and powersports manufacturers, which represent 75% of the customer base, while online dealers account for 25%. Duell sells its products only to dealers. During fiscal year 2023, dealers reduced their own inventory levels which negatively impacted Duell's sales.

Duell offers business-to-business e-commerce and system integrations that enable cross-docking, direct deliveries, automated processes and orders, and real-time inventory availability checks. Duell

is continuously enhancing its product information management platform to increase overall transparency and product data coverage, bringing added value to dealers by, among other things, demonstrating parts compatibility. Duell developed its B2B-portal, which will be gradually rolled out in the Nordic countries during the financial year 2024, with the aim of extending its use to other markets in the future.

PRODUCTS AND BRANDS

Duell operates in the European powersports aftermarket in the product categories of on-road motorcycles, off-road motorcycles, ATVs, snowmobiles, marine and in the bicycle aftermarket.

Duell promotes safer ways to ride, and the company makes sustainable choices in developing its brand portfolio to fit the demand of different markets

and categories. As a distributor, Duell acts as an intermediary between brand owners and retailers by sourcing from brand owners' ranges and distributing them to retailers, who then sell the products to end customers. The number of brands represented by Duell increased from the previous year's level some 10% and stood at over 550 at the end of the financial year 2023. The number of products (SKU) was around 150,000. Two thirds of these products are technical spare parts and accessories and one third personal equipment.

Sales of third-party products account for around 80% of total sales. Major product representatives include Airoh, Alpinestars, Cardo, Continental, Dunlop, HJC, Michelin, Oakley, Pirelli, Rukka, Schuberth, Scorpio and Sena. By using large and well-known suppliers for third-party brands, Duell benefits from the application of supplier requirements for quality control, sustainability, working conditions and anti-corruption.

Duell also offers products that it sources directly from manufacturers and sells under its own brands to complement its offering. Duell has around 20 own brands available in all markets. All own brands cover a wide range of products in each of our product categories, which include accessories and spare parts for motorcycles and bicycles, as well as accessories and spare parts for water sports, boating and snowmobiles. Own brand sales account for around 21% of total sales and remained almost at the same level as the previous year. The key brands are Halvarssons, Lindstrands and Amog.

Duell has more than 600 suppliers around the world, while Duell's own brand products are manufactured by external suppliers, mainly in Asia. In addition to its key suppliers, Duell seeks to maintain alternative supplier relationships in its critical product lines.

8,500

ACTIVE DEALERS

4,500

DEALERS IN NORDICS

4,000

DEALERS IN EUROPE

>550

HIGH QUALITY BRANDS

>20

HIGH QUALITY HOUSE BRANDS

>600

SUPPLIERS AROUND THE WORLD



M&A highlights FY 2023

M&A HIGHLIGHTS IN 2023

In March 2023, Duell acquired the entire share capital of TranAm Ltd in the UK for a total consideration of GBP 11.9 million. TranAm is a leading distributor and wholesaler of high-quality motorcycle riding equipment and accessories. The acquisition is part of Duell's growth strategy and will support its geographic expansion and product range development.

The first part of the purchase price was paid with the proceeds from a directed Share Issue that raised €8.7 million. The maximum number of shares corresponds to approximately 20% of the total number of Duell shares in issue immediately prior to the issue. The proceeds from the Share Issue were used to finance approximately 60% of the first tranche of the purchase price for the acquisition of TranAm Ltd. The number of shares in the company after the issue was 30,545,474. The second instalment of approximately 40% of the purchase price was agreed to be paid by the end of 2023. TranAm's balance sheet was consolidated into the Duell Group's figures on 28 February 2023.

Duell has made a total of five acquisitions since June 2021. In addition to the TranAm acquisition, the company has acquired PowerFactory Nordic in Finland, Techno Motor Veghel and IGM Trading in the Netherlands (including Grand Canyon GmbH in Germany) and Tecno Globe in France.



The **CONTINENTAL GP5000** is a classic tyre which enjoys great respect among racers. Its cutting-edge performance, grip and durability have made it a cycling icon. Duell has represented Continental for decades and the fruitful partnership continues.





Geographical growth, online sales and brand portfolio development

GEOGRAPHICAL GROWTH

Geographical growth objectives:

- Increase the share of existing customer purchases through cross selling and an expanded product range
- Acquisition of new customers
- Mergers and acquisitions

To support the company's geographical expansion, Duell acquired the entire share capital of TranAm in the UK for a total consideration of GBP 11.9 million. TranAm is a leading distributor and wholesaler of high-quality motorcycle riding equipment and accessories. The acquisition is part of Duell's growth strategy and will support its geographic expansion and product range development.

PARTNER FOR ONLINE BUSINESS

- Strengthens Duell's ability to serve both brands and retailers online

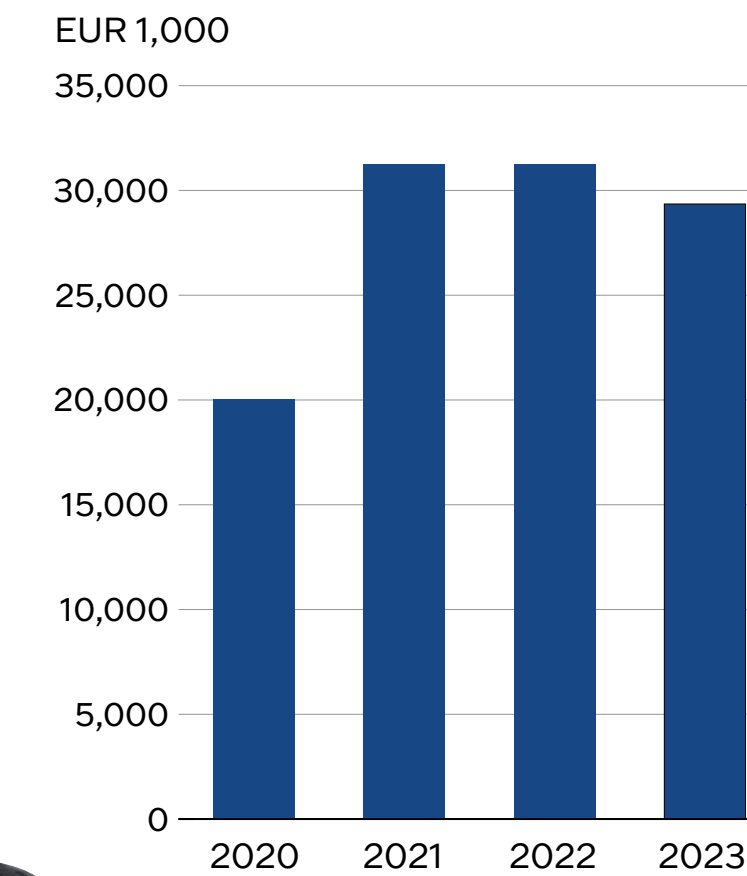
Duell has built a new e-commerce service (B2B platform) for customers, which is scheduled to be phased during financial year 2024. The new service will provide a modern platform with enhanced functionality such as search and new product classifications.

BRAND PORTFOLIO DEVELOPMENT

- Commercialising own brands and expanding sales into new markets
- Optimising third-party brands to meet the needs and demand of different markets

Duell offers dealers its 550-brand range of around 150,000 product items. Two thirds of these product items are technical spare parts and accessories and one third personal equipment. Sales of third-party products account for around 80% of total sales. Duell has more than 20 own brands and brand names. They are available in all markets. The number of brands represented by Duell, over 550, increased some 10% from the previous year.

Online sales development



AMOQ is Duell's own brand providing clothing and accessories both for MX and snowmobile categories. Amoq's airline mesh jersey, momentum gloves, original cap and align performance sunglasses.



Duell as an investment case

1 WELL POSITIONED TO GROW ORGANICALLY AND THROUGH M&A

2 A MARKET LEADING POSITION IN THE NORDICS WITH A RAPIDLY GROWING PRESENCE IN THE REST OF EUROPE

3 A LARGE BRAND PORTFOLIO WITH THIRD PARTY AND OWN BRANDS

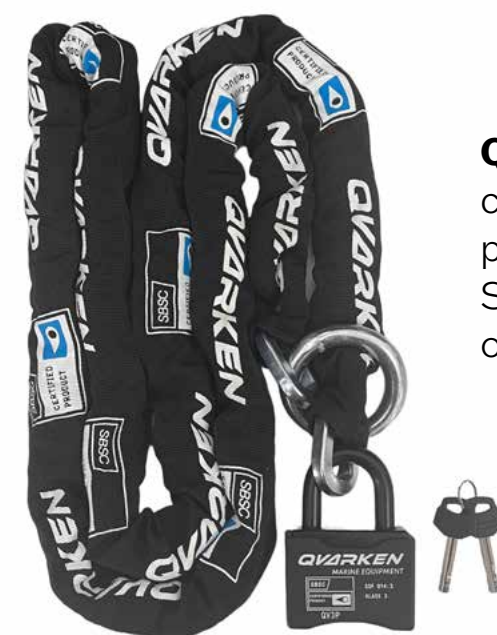
4 STRONG VALUE PROPOSITION TO BRANDS AND DEALERS

5 A STRONG AND STABLE POSITION IN KEY SALES CHANNELS

6 CONTROL OVER CRITICAL PARTS OF THE VALUE CHAIN

7 A TRACK RECORD OF ORGANIC GROWTH, M&A, AND PROFITABILITY

8 SKILLED, EXPERIENCED, AND PASSIONATE MANAGEMENT



QVARKEN LOCK PACKAGE chain and lock Class 3. Chromated 2,5m chain for increased corrosion protection. Protective cover as protection against wear and paint damage. A certified product by SBSC (Svensk Brand & Säkerhets- certifiering AB). Qvarken, Duell's own brand for boating is sold mainly in Finland and Sweden.

Competition

DUELL COMPETITORS FALL INTO THE FOLLOWING THREE CATEGORIES:

1

Duell belongs to the **MAJOR INTERNATIONAL DISTRIBUTORS**, of which there are only a handful in Europe. These companies typically have a strong market share in certain geographic areas, but at the same time they are expanding into new markets and scaling up their distribution networks.

2

LARGE REGIONAL DISTRIBUTORS have concentrated on a few selected markets where they have achieved a significant position.

3

SMALL LOCAL DISTRIBUTORS include competitors with a significant foothold in one country or part of a country. They often have a smaller range of brands.



Introduction to Duell's sustainability approach

In its decision making, corporate governance and sustainability practices, Duell complies with applicable Finnish legislation and its articles of association. Duell follows the Nasdaq First North Growth Market Rulebook.

Duell is not obliged to comply with the Finnish Corporate Governance Code 2020, issued by the Finnish Securities Market Association ("Corporate Governance Code"). However, Duell aims to align its corporate governance practices in-line with the Corporate Governance Code, excluding the reporting obligations included therein.

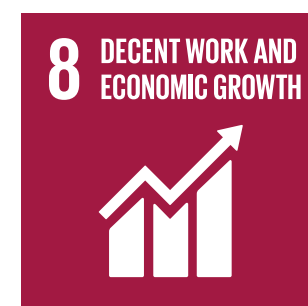
Duell also aims to develop its Environment, Social and Governance -related targets, measures, policies, and reporting in-line with the expected EU legislation. The development work is expected to take place in 2024.

Agenda 2030 for sustainable development

Responsibility is an important part of Duell's company values and operations. Duell's sustainability is based on the United Nations Agenda for Sustainable Development (Agenda 2030), from which the most important areas have been selected for operations and partners. Duell is committed to respect human rights and ensures they are respected throughout

our operations. The operations are conducted in an ethical and honest manner, and any form of bribery or corruption is not accepted in its own operations or in partners operations. The company-level Code of Conduct for Duell is currently under development.

The United Nations Program of Action for Sustainable Development includes 17 global goals that countries should achieve together by 2030. Agenda 2030 aims to eradicate extreme poverty and sustainable development, with consideration to the environment, the economy, and people on an equal footing. The underlying principle of the program is that no-one is left behind in development.



The **OAKLEY FLIGHT DECK** goggles are designed with Oakley's Ridglock technology, making lens replacement quick and easy, while allowing a perfect lens seal to prevent harsh conditions from penetrating the goggles.





» **Duell mapped the material themes during the FY 2023.**

Materiality assessment

In 2023 Duell started the development of its sustainability program. Duell initiated a comprehensive inquiry involving key stakeholders to identify and prioritise critical aspects of Duell’s operations for each stakeholder group. The survey targeted the most essential stakeholders and received responses from 24 participants.

Collaborating with the Board of Directors, the Management Team assessed the themes identified in the survey, aligning them with the company’s strategy and evaluating their business impact. This process led to the identification of six themes (responsible assortment, emission minimisation, employee well-being and safety, trust-based corporate culture and leadership, good governance and responsible partnerships) and 19 different sub-topics.

ENVIRONMENT

Logistics

Logistics are essential to Duell’s business and Duell can deliver more than 95 percent of its products within 24 hours, in those countries, where Duell has logistics centres. Duell is committed to offering its customers the right product at the right time and to the right place. Duell uses external logistics service providers to execute its deliveries to its customers.

Duell has co-operated with an external partner during the financial year 2023, who has collect outbound logistics statistics from Duell’s logistics centres and from logistics companies for reporting the emissions.

Duell’s logistics model aims to reduce the environmental impact of the sector by decreasing individual shipments to dealers by combining shipments of products from several brands. According to Duell’s estimates, by combining the shipments of several brands, it can decrease the number of shipments by 10–15 percent compared to direct sales from brands. In addition, Duell has a localised warehouse strategy that enables shorter delivery distances and Duell estimates, that during the past four years it has increased the amount of package sizes it offers by over 50 percent, which has reduced Duell’s use of packaging materials.

Deliveries

Duell has prepared the implementation of a new Warehouse Management System (“WMS”) that is expected to further improve the efficiency of Duell’s warehouse management, speed up delivery process, and strengthen Duell’s scalable operations. The new system, introduced in Finland in late 2022, has

enhanced performance in warehouse operations since its implementation. WMS implementation is also planned for Sweden warehouse during 2024. In the Netherlands, the WMS system is in use, and in France, the system implementation project started in early 2023 and the implementation was realised in the fall of 2023.

MATERIAL TOPICS FOR DUELL

PRODUCTS

THEMES

Sustainable offering

- Offering and expanding an ecological portfolio
- Product safety, quality and compliance

Emission minimisation

- Emissions from own production and energy efficiency
- Emissions and efficiency of logistics

PEOPLE

THEMES

Employee well-being and safety

- Well-being of in-house personnel
- Well-being at work and occupational safety in in-house production chain
- Occupational safety in logistics

Trust-based corporate culture

- Engagement of the personnel
- Non-discrimination and equal treatment

WAY OF WORKING

THEMES

Good governance

- Anti-corruption and anti-bribery
- Transparency of governance

Responsible partnerships and management

- Respecting human rights and the environment in the supply chain
- Duell is a fair and responsible partner for its customers, partners and employees.



Optimisation supports sustainable development. For example, post-deliveries are combined and sent with daily orders. The aim is to combine intercontinental deliveries and always deliver full containers. The warehouses are local and distributed close to the customer. The optimisation and purchasing system helps to act more responsibly in terms of orders and product deliveries, as well as warehousing by optimising the quantity and storage of products in the right place and at the right time. Extra travel is avoided and, the remote meeting policy is enabled

with technologies. Duell offers the dealers a dropship solution, which means that products are delivered directly to the end customers. This allows us to avoid unnecessary packaging and transportation.

Duell focuses on sustainability when it comes to packaging, so that boxes and packages are the ideal size, with only necessary amount of packaging material are used. Plastic is also minimised in packing lines. Boxes and packaging materials are re-used whenever possible. Duell has also made the decision

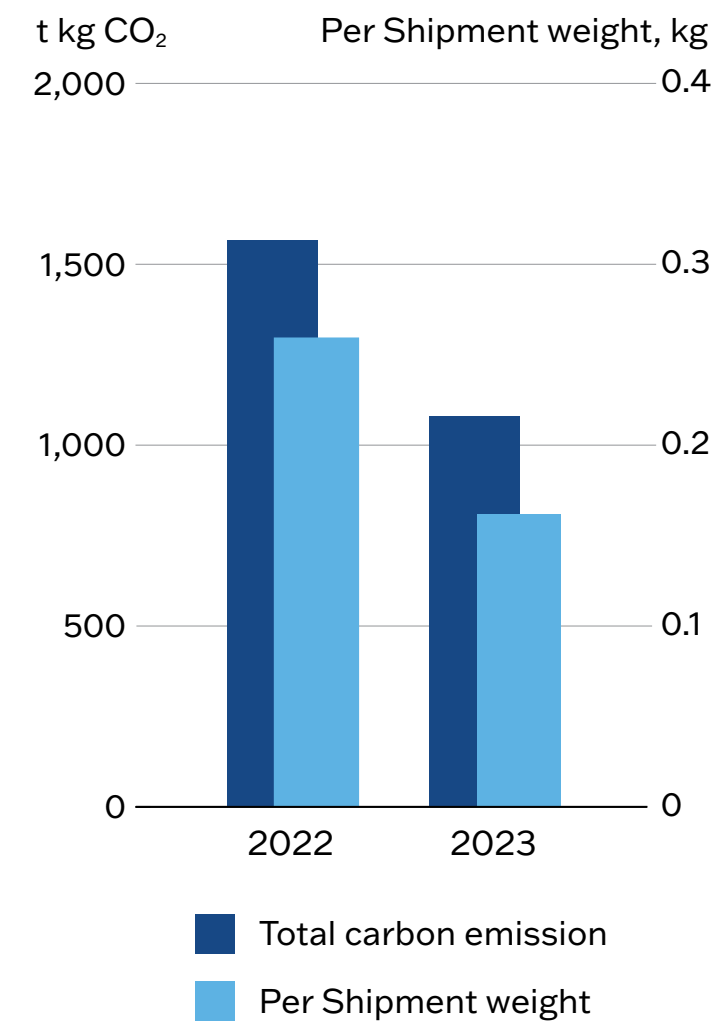
in financial year 2022 to reduce number of printed materials already in the and the use of papers and will cease production of printed product catalogues and move to digital formats. The impact of this measure is estimated to reduce printed materials by approximately 80% in financial year 2023 (40% in FY 2022).

Energy consumption in Finland and Sweden

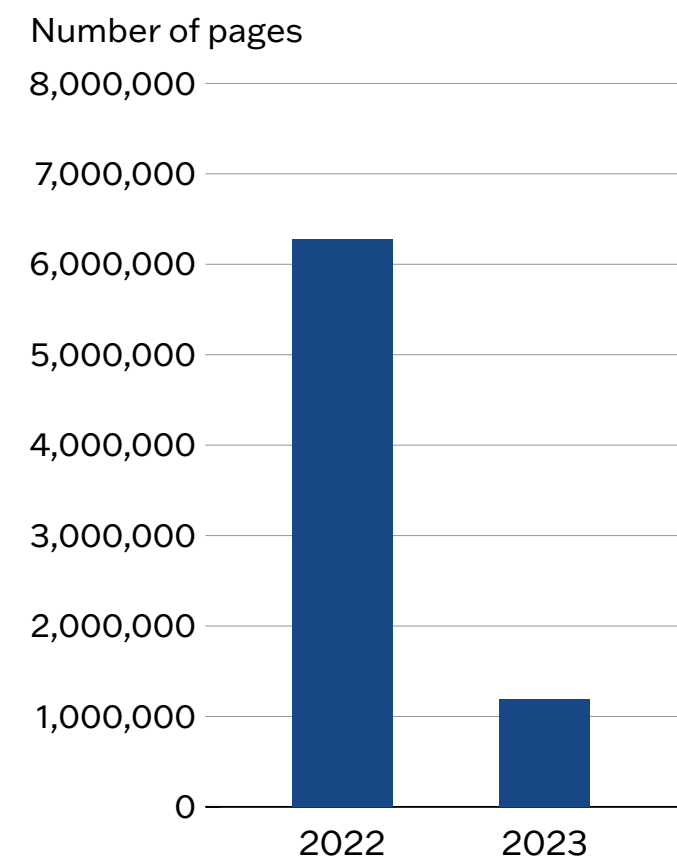
Duell prefers to use renewable energy. In Mustasaari, Finland, our local energy company provider uses 100 percent renewable energy and certification has been

provided to guarantee the energy source. The origin is Europe-based and its sources include hydro, wind, solar, bio and geothermal energy. Also, in Tranås, Sweden, the local energy company provider uses 100 percent renewable energy from hydro, wind, biofuel, and solar as sources. Duell will work further for other company locations to prefer the use of renewable energy. Duell will emphasize its preference among all its group companies to use renewable energy.

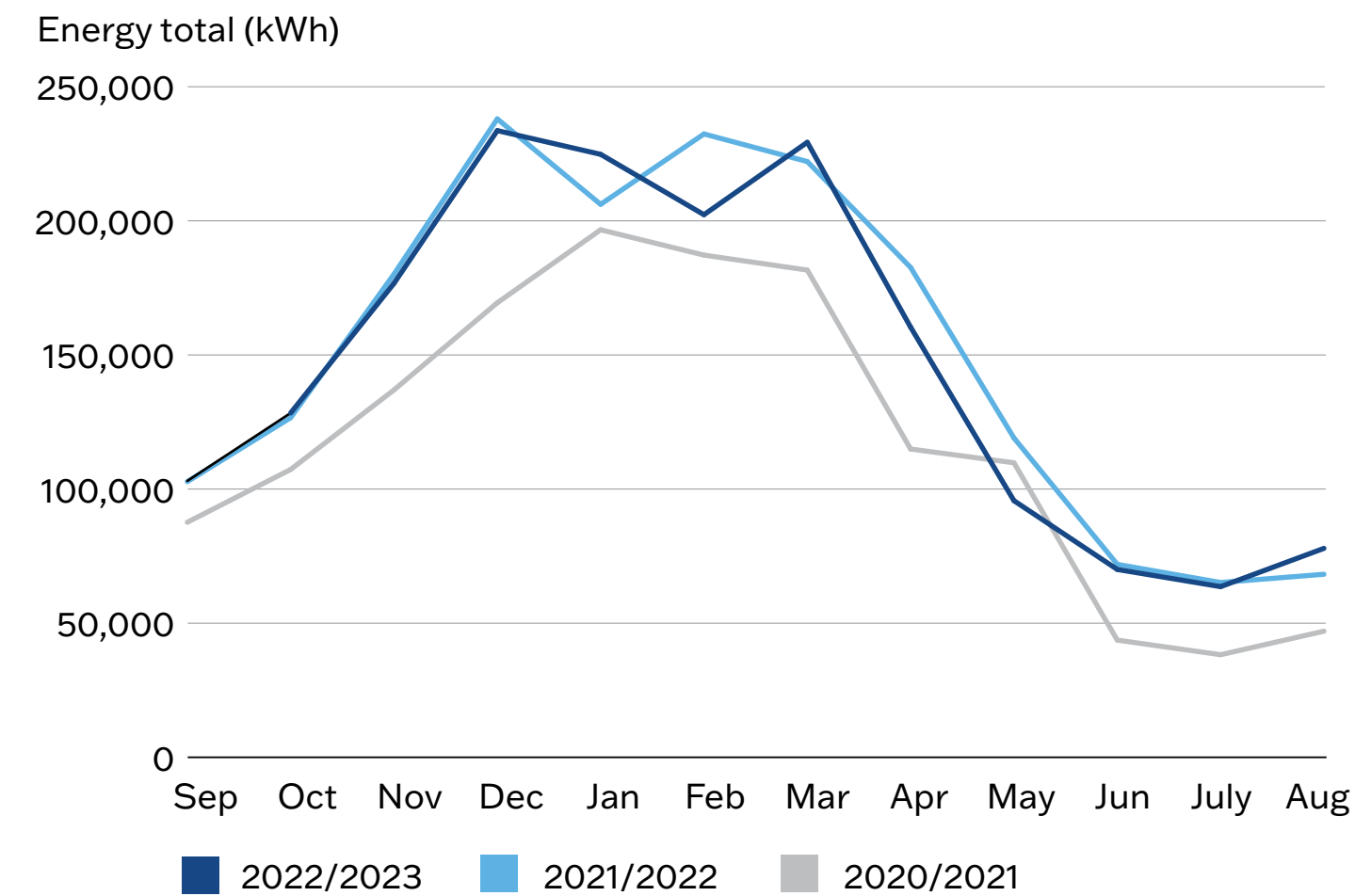
Total carbon emissions given by carrier



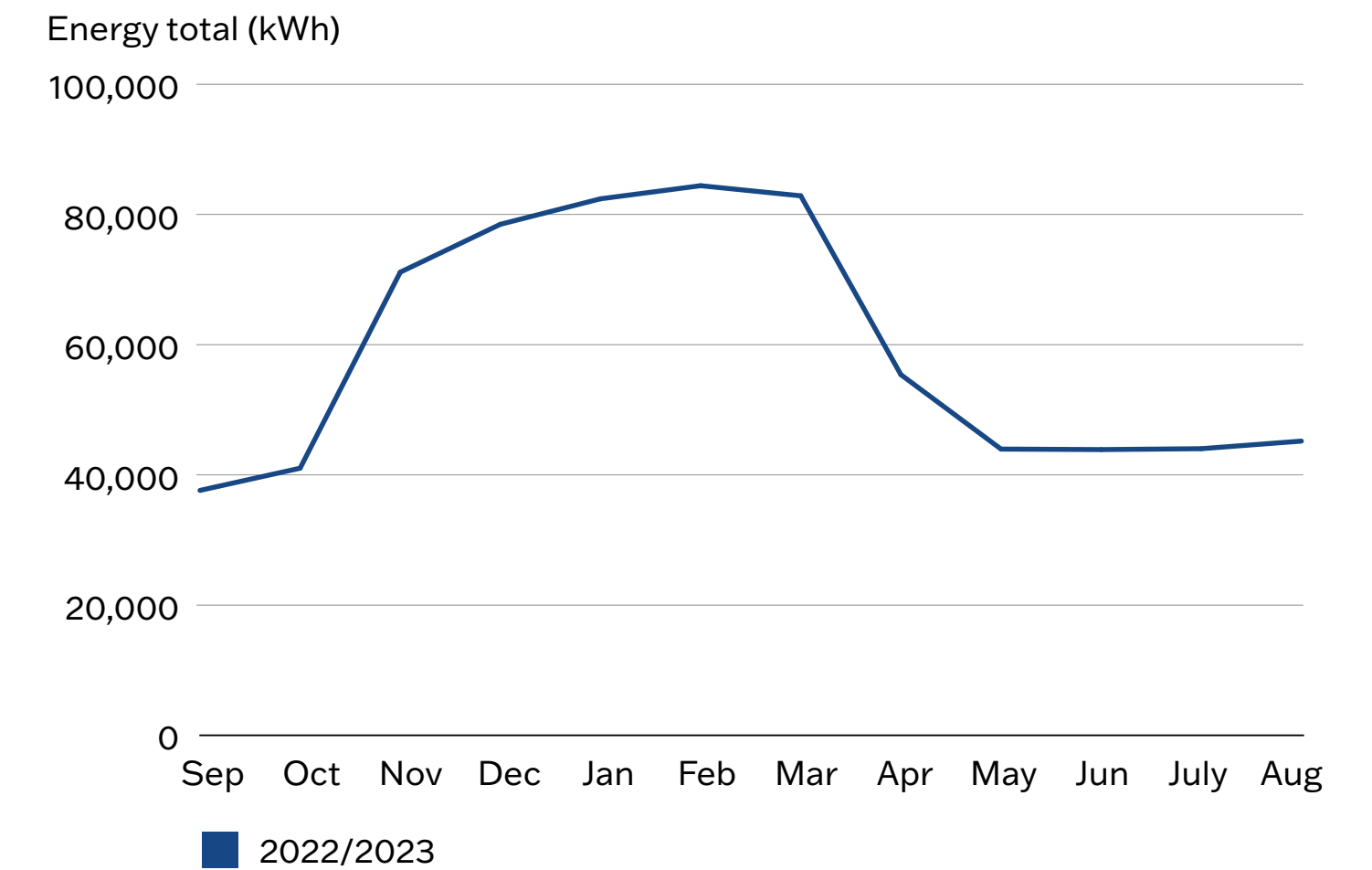
Total printed catalogue pages



Energy consumption – Finland (Mustasaari & Kivihaka) and Sweden (Tranås)



Energy consumption – Europe (UK, Netherlands and France)





SOCIAL

Organisation and Personnel are Duell's most important asset. Duell wants to take care of the health and well-being of the employees and guarantee a safe working environment for all. The stable foundation and long history of the company enables long-term working relationships. Duell actively offers for opportunities and diverse benefits for the development of staff. Comprehensive occupational health services (in Finland), a competitive bonus system, and an exercise benefit are valued in the work community.

Duell's objective is to maintain an open and positive work culture, where the employee is valued and listened to. Equality means equal treatment and opportunities regardless of gender, background, or any other non-professional reason. The company adheres to equality in the work community and wants to promote equality at the societal level as well. Duell has information sharing sessions for all employees, utilising collaboration tools. During the sessions, company management shares information regarding important topics, for example business development, gives updates on key projects and personnel-related topics, followed by a questions and answers section.

Who are our employees?

On 31 August 2023, Duell had a total of 212 employees, of which 142 employees were based in the Nordics and 70 employees in the rest of Europe.

The Group's personnel primarily work under permanent employment contracts. Additionally, Duell has seasonal workforce in logistics during the high season at summertime to cover for the ordinary staff during vacation periods. The company also provides traineeships to students.

In recent years, Duell's number of employees has grown steadily. Duell had an average of 218 full-time employees for the financial year ending August 31, 2023, whilst an average of 193 full-time employees for the financial year ending 31 August 2022. The acquisition of TranAm increased number of FTE in March by 24 employees.



CAMSO, former Camoplast is an American snowmobile track manufacturer with over 40 years' experience of manufacture snowmobile tracks. Camso is today a part of the Michelin Group and is the supplier for snow track on 100% of the snowmobiles manufactured in North America, Japan and the Nordics. Duell has proudly represented Camso on the Nordic market for over 20 years as their aftermarket distributor.





People and Remuneration Committee

The mission of Duell's People and Remuneration Committee is to facilitate and ensure the success of the company in the areas of remuneration, personnel, and corporate culture, while providing support to the Board in addressing these key themes. The committee is tasked with evaluating, monitoring, and guiding the development of people and remuneration issues critical for the execution of the company's strategy. In the fiscal year 2023, the committee successfully concluded the comprehensive remuneration policy.

Remuneration supports Duell in achieving strategic growth targets, profitability, and increased shareholder value in long-term. It is aligned with business results and enables to attract and retain competent management and Board members. The level and development of the remuneration is based on Duell's success, overall economic development, and remuneration practices in the industry.

Duell is conducting an employee satisfaction survey at the end of year 2023 for the entire company. The survey is conducted regularly on an annual basis to develop the operations and well-being within the company.

Anti-corruption

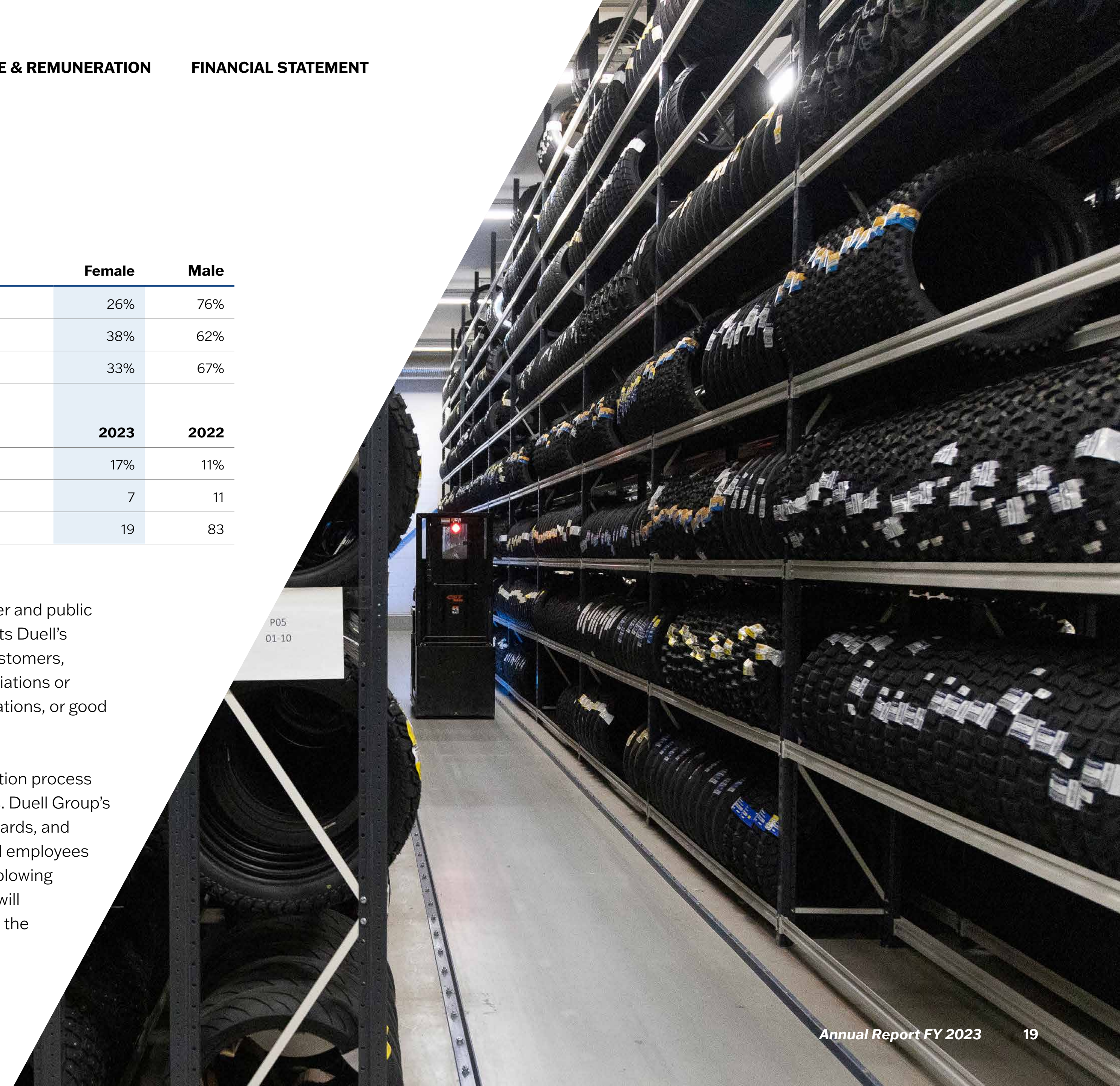
Duell has an approved Whistleblowing policy for reporting an abuse. The Whistleblowing policy is adopted to ensure high standards of corporate

Statistics of Duell's personnel

Gender division, %	Female	Male
Duell employees	26%	76%
Management Team (8)	38%	62%
Board of Directors (6)	33%	67%
Other personnel key indicators		
Turnover rates of Duell's personnel	2023 17%	2022 11%
Sick leaves, days	7	11
Training, average per employee, EUR	19	83

governance and maintaining customer and public confidence in our business. It supports Duell's stakeholders, such as employees, customers, suppliers, and partners, to report deviations or violations of, for example, laws, regulations, or good business practices.

Whistleblowing policy is part of induction process and mandatory for all new employees. Duell Group's corporate governance policies, standards, and guidelines are readily accessible to all employees through Duell's Intranet. The Whistleblowing policy has been approved, and Duell will introduce the technical application to the reporting channel by end of 2023.



GOVERNANCE

Value Chain

As a distributor, Duell operates between brand owners and dealers by sourcing from brand owners' collections and distributing them to dealers that sell the products to end customers that are mostly consumers. Duell also offers products that it procures directly from manufacturers and sells under its own brands to complement its offering.

Duell believes that the most important way to bring value to both directions of the value chain, the brand owners and the customers, is through economies of scale and quality service to both brand owners and customers. Economies of scale are enabled by Duell's warehousing capabilities and efficient logistics operations, which allow extensive stockkeeping for brands. This simultaneously ensures the availability of products from many brands, enabling a one-stop-shop approach towards dealers. Duell has a broad portfolio of over 550 brands and approximately 150,000 product items it can offer its 8,500 dealers.

Striving towards more responsible solutions, Duell actively develops customer service processes to serve customers as thoroughly and efficiently as possible. Duell's goal is to establish the longest possible relationships with both suppliers and business-to-business customers. Product safety and product information are an integral part of our operations.

The product managers, employees responsible for products, are professionals in their field and always have up-to-date information regarding products and product safety. Brand owners provide product training for Duell's product managers, related to product safety and related requirements. Duell has 8,500 business-to-business customers around Europe. Duell is planning to launch a customer satisfaction survey during the year 2024.

Development of product portfolio

Duell promotes safer ways to ride and the company makes sustainable choices when developing its product portfolio and offering, to be able to provide the industry with top-quality safety products. Warranty issues are carefully handled and immediate actions are taken regarding possible product recalls.

Purchasing and Quality Control

Duell has more than 600 suppliers that are geographically diversified around the world. Duell's own brand products are manufactured by third-party suppliers mainly located in Asia. This diversified approach to sourcing allows Duell to cover the full portfolio of brands and products that its customers demand, while retaining control over its relationships with suppliers and optimising its sourcing across multiple countries. In addition to its primary suppliers, Duell strives to manage its relations with optional suppliers to ensure supply in case of any disruptions.

In terms of third-party brands, by using major known suppliers, Duell benefits from the suppliers' existing requirements regarding quality control, sustainability, working conditions and anti-corruption. For Duell's own brand products, such as garments for motorcycling, the responsibility for product quality and safety and product approval processes lies with Duell. For example, some of Duell's products are subject to European safety regulations and as such must be CE-certified. These products are tested by responsible authorities.

Manufacturers have the sole responsibility for declaring conformity with relevant safety regulations and subsequently identifying their products with a CE marking. Duell also uses third-party service providers to review and test new products. Duell's own brand products are manufactured by trusted third-party suppliers that also manufacture some of the third-party brand products included in Duell's product offering.

Duell aims to ensure that both its suppliers and the products it distributes satisfy certain quality, safety and sustainability requirements. Quality control in purchasing activities is based on the professional skills of Duell's purchasers, as well as the terms and conditions of the supply agreements and the suppliers' references and other customer relationships. Quality control is also based on how suppliers document their activities and products, and whether a supplier is a member of well-known cooperation alliances or organisations for improving ethics and sustainability.

»Economies of scale and quality of service bring value to the the value chain.

Risk management

Risk management is a systematic activity aimed at ensuring the comprehensive and appropriate identification, assessment, management and control of risks. It is an integral part of the Duell's strategy process, decision-making, day-to-day management and operations and control and reporting procedures in all operating countries. Duell's Management Team reviews and updates the risks based on risk assessments and mitigation actions in various risk areas, which are shared with the Board of Directors.

Duell must comply with laws and regulations enacted at both the national and EU level concerning its operations in relation to matters including health, environment, safety, consumer protection, marketing, general product safety, employment, competition, company law, data protection, international trade and taxation in all countries in which Duell pursues business. For example, sales of certain products that Duell distributes are more affected by regulation than others such as helmets in the clothing market or must-have technical and spare parts that require regular replacements such as tires.

EU Taxonomy

To align with the EU's ambitious climate and environmental goals, the European Parliament and Council approved the EU Taxonomy framework in 2020. This framework seeks to precisely define

environmentally sustainable economic activities, channeling investments toward the green transition. Duell is initiating preparations for the initial phase of its taxonomy disclosures, involving the assessment of Taxonomy eligibility for its activities. This assessment will encompass factors such as the eligible portion of turnover, capital expenditures (CapEx), and operational expenditures (OpEx) for the reporting year 2024.



ULTRATEC was founded in Petäjävesi, Finland 2002 as a manufacturer of ATV and snowmobile tow-behind products such as trailers and sleighs. In 2019 Duell and Ultratec entered a partnership that was based on Duell doing all the sales of Ultratecs products and Ultratec focus only on production. Today Duell are selling in the Nordics and rest of Europe 90% of what Ultratec produces. One success product is the Universal trailer 770-22301L that is one of the most selling trailers in the Nordics today.



Governance and remuneration

Board of Directors

The tasks and responsibilities of the Board of Directors of the Company are determined on the basis of the Finnish Companies Act as well as other applicable legislation. The Board of Directors of the Company has the general authority to decide and act in all matters not reserved for other corporate governing bodies by law or under the provisions of the Company's articles of association. The general task of the Board of Directors of the Company is to duly organise Duell's management and operations. In all situations, the Board of Directors of the Company must act in accordance with Duell's best interests.

According to the company's Articles of Association, The Board of Directors of the company has a minimum of four (4) and a maximum of eight (8) members. The term of office of members of the Board of Directors ends at the close of the annual general meeting of shareholders following their election.

The Board of Directors of the Company is quorate when more than one half of its members are present. A decision by the Board of Directors of the Company is the opinion supported by more than one half of the members present at a meeting. In the event of a tie, the Chairman has the casting vote. The Board of Directors of the Company meet according to a predetermined schedule between six and ten times in a year and, when necessary, holds additional meetings.

The Board of Directors has two committees, a People and Remuneration Committee and an Audit Committee. The Board of Directors of the Company may consider establishing committees in the future to function effectively, considering the scope and nature of Duell's operations and the operating principles of the Board of Directors.

https://investors.duell.eu/en/corporate_governance/board_of_directors



Anna Hyvönen

Born 1968
Chairman, 2022-
Member 2021-
Licentiate of Science (Tech.)
Direct ownership 0.00%



Søren Gaardboe

Born 1964
Vice Chairman, 2022-
Member 2022-
LLM, BBA
Direct ownership 0.00%



Anu Ora

Born 1973
Member, 2021-
M.Sc. (Econ.)
Direct ownership 0.04%



Sami Heikkilä

Born 1971
Member, 2018-
M.Sc. (Econ.)
Direct ownership 0.31%



Kim Ignatius

Born 1956
Member, 2021-
B.Sc. (Econ.)
Direct ownership 0.04%



Niko Morkkila

Born 1979
Member, 2021-
M.Sc. (Econ.) and M.Sc. (Tech.)
Direct ownership 0.00%

Management Team

The Company's Board of Directors appoints the CEO and decides on the terms and conditions of his/her service.

The Board of Directors appoints and dismisses the CEO, decides on the financial benefits and other terms of the employment within the framework of the valid remuneration policy presented to the Annual General Meeting, and supervises the CEO's operations. The CEO is responsible for managing Duell's operations in accordance with the instructions and regulations issued by the Company's Board of Directors. The CEO is responsible for the day-to-day administration and day-to-day management of the Company in accordance with the Limited Liability Companies Act and the instructions and regulations issued by the Board of Directors. The company's Management Team supports the CEO in handling operational matters.



Jarkko Ämmälä

Born 1971
Chief Executive Officer (since 2017)
Part of the management since 2018
Direct ownership 3.60%



Riitta Niemelä

Born 1981
Chief Financial Officer
Part of the management since 2020
Direct ownership 0.79%



Pellervo Hämäläinen

Born 1966
Communications and IR Manager
Part of the management since 2022
Direct ownership 0.00%



Joakim Vest

Born 1978
Logistics Manager
Part of the management since 2021
Direct ownership 0.02%



Pia Hoseus

Born 1987
HR Director
Part of the management since 2021
Direct ownership 0.01%



Erwin Van Hoof

Born 1963
Business Director,
Powersports Business
Part of the management since 2023
Direct ownership 0.02%



Jukka Smolander

Born 1987
Business Director, Bicycle Business
Part of the management since 2023
Direct ownership 0.00%



Heidi Markkanen

Born 1978
Chief Digital Officer
Part of the management since 2023
Direct ownership 0.00%

https://investors.duell.eu/en/corporate_governance/board_of_executives

Remuneration report 2023

The summary of remuneration 2023 (1.9.2022–31.8.2023) includes the remuneration of Duell Group’s (“Duell”) governing bodies: Board of Directors and the CEO. The remuneration of the governing bodies in 2023 complies to Duell’s remuneration policy approved by the Annual General Meeting without a vote on December 1, 2022. The remuneration report does not yet fully comply to all extend to the Corporate Governance Code which is not mandatory to a First North company. As stated in the AGM 2022, Duell aims to meet the requirements of the Remuneration policy set forth in the Corporate Governance Code. The Remuneration Report 2023 is created to comply with the Corporate Governance Code with the exception that the development of the remuneration is described starting from the financial year prior listing.

BOARD OF DIRECTORS’ REMUNERATION 2023

The Annual General Meeting on December 1, 2022, resolved that the members of the Board of Directors are paid a monthly compensation in cash of their Board work and a meeting fee for committee work.

The Board of Directors are paid a monthly compensation as follows:

- Chair of the Board of Directors: EUR 4,000;
- Deputy Chair of the Board of Directors: EUR 3,000; and
- Other members of the Board of Directors: EUR 2,000.

In addition, the Board of Directors receive a following meeting fee for committee work:

- Chair of a Committee: EUR 1,000 per meeting, however, only if a member of the Board of Directors other than the Chair or Deputy Chair of the Board of Directors acts as the Chair of the Committee; and
- Other members of Committees: EUR 500 per meeting.

The remuneration of the Board of Directors consists solely of a fixed monthly fee and meeting fees for committee work paid in cash. The members of the Board of Directors do not have an employment relationship or service agreement with Duell. The Board of Directors are not eligible for any incentive plan or any other variable incentives, nor supplementary pension plans. Board work related reasonable travel expenses are reimbursed to the Board members according to the Duell Group travel policy.

The holdings of Duell Corporation shares per 31.8.2023 of the Board of Directors are presented in the Annual Report 2023. Additionally, the holdings of the insiders’ group are shared in Duell Group’s investor’s pages investors.duell.eu

Board of Directors’ Remuneration 2023

Totally, the paid fees for the Board of Directors were 185,000 EUR in 2023 (150,255 EUR in 2022) as presented in the table.

Board Member*	Member of Board	Committee membership	Board fees (EUR)
Anna Hyvönen	Chair since 12/2022 Member 11/2021–12/2022	People & Remuneration	42,500
Søren Gaardboe	Vice Chair since 12/2022		27,000
Anu Ora	Member since 8/2021	People & Remuneration (Chair)	25,000
Sami Heikkilä	Member since 12/2022 Chair 9/2018–12/2022	Audit	25,500
Kim Ignatius	Member since 11/2022 Chair 12/2021–11/2022 Member 8/2021–12/2021	Audit (Chair)	33,000
Niko Morkkila	Member since 11/2021	People & Remuneration Audit	26,000
Total			185,000

*Including Thomas Sandvall as member of the Board until 12/2022 with remuneration of EUR 6,000 during the financial year.

**CEO'S REMUNERATION 2023****Principles of the Remuneration of CEO**

The remuneration of the CEO is complied with the Duell Remuneration Policy approved by the Annual General meeting 2022. The Board of Directors determines the remuneration paid and the basic principles of remuneration for the CEO. The remuneration paid to the CEO consists of a monthly salary, fringe benefits and a short-term incentive programme. Additionally, the CEO's total remuneration includes contributions to a supplementary pension scheme. Any share-based programme is not applied to the CEO.

CEO Jarkko Ämmälä is entitled to a supplementary pension scheme including a supplementary pension starting from age 60 and a life insurance. The supplementary pension scheme's annual cost is EUR 3 000.

Duell has established a short-term incentive scheme under which the CEO is awarded cash bonuses in

addition to fixed salary. The objective of the incentive scheme is to incentivize the CEO to stay engaged and motivate them to improve their performance. In addition, the incentive scheme aims to steer the work in a way that supports Duell's growth, profitability, and competitiveness. Payments under the incentive scheme are discretionary and tied to Duell's profitability. The terms and objectives of the incentive are determined by the Board of Directors.

CEO's Remuneration 2023

In financial year 2023, CEO of Duell Jarkko Ämmälä's total paid remuneration amounted to EUR 209 778. The total remuneration includes base salary and benefits, contribution to supplementary pension plan, and a short-term bonus paid on the performance of the financial year 2022 amounting EUR 15 000 (with payout in January 2023). Statutory pension contributions are excluded in the total paid remuneration. The fixed remuneration constitutes 93% CEO's and the variable part 7% of the CEO's total remuneration in 2023.

CEO's Accrued Remuneration of 2023

The CEO is eligible to a short-term incentive programme. The payout of the annual short-term incentive programme is capped each year at 200% of monthly base salary. For 2023 the programme's payout is determined by Duell Corporation's adjusted EBITA, NWC and fixed expenses. The targets of 2023 were met on average at the level of 25%. The payout amounting to EUR 8 000 will be paid in November 2023.

The CEO's holdings of Duell Corporation shares per 31.8.2023 are presented in the Annual Report 2023. Additionally, the holdings of the insiders' group are shared in Duell Group's investor's pages investors.duell.eu.

The following table sets forth the salaries and fees paid and accrued to the CEO Jarkko Ämmälä for the financial year 2023.

Component	Actual pay 2023 (EUR)	Accrued remuneration 2023
Fixed salary, fringe benefits* and supplementary pension plan	194,778	
Short-term incentives	15,000	8,000
	Based on performance period 2022	Payout in November 2023
Annual total	209,778	

*Tax value of fringe benefits.

Report of Board of Directors

Duell Corporation (Duell) is an import and wholesale company based in Mustasaari, Finland, established in 1983. Duell 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 550 brands. The assortment covers spare parts and accessories for motorcycling, bicycling, ATVs/UTVs, mopeds and scooters, snowmobiling, and boating. Logistics centres are in Finland, Sweden, the Netherlands, France, and the UK. Duell's net sales in 2023 was EUR 119 million and it employs over 200 people. Duell's shares are listed on the First North Marketplace.

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

Oy Duell Bike-Center Ab owns 100% of the shares in Duell AB in Sweden, Duell AS in Norway, Duell UK Ltd in the UK, Duell GmbH in Germany, Duell SAS in France, and Duell TMV B.V. in the Netherlands. In addition, Oy Duell Bike-Center Ab indirectly holds all the shares in Tecno Globe SAS, a subsidiary of Duell SAS in France and TranAm (New Milton) Ltd, which is a subsidiary of Duell UK Ltd in the UK. TranAm (New Milton) Ltd in turn owns all the shares in TranAm Ltd, UK. Duell Corporation, together with the above companies, form the Duell Group. During the financial year, the Group completed a merger in which

the Finnish company PowerFactory Nordic Oy Ab was merged into Oy Duell Bike-Center Ab.

OPERATING ENVIRONMENT

Market uncertainty and weakness had a significant negative impact on the operating environment in the financial year 2023. Continued inflation and the overall challenging market situation lowered consumer confidence and demand. Following the COVID-19 pandemic, challenges related to the availability of products eased gradually throughout the year, but market uncertainty related to the war in Ukraine continued. These factors have weakening market predictability. Retailers also continued destocking and reduced their purchases from wholesalers.

BUSINESS REVIEW

Market uncertainty continued in the financial year 2023. The market uncertainty decreased both net sales and profitability, in addition to the negative impact of currency change fluctuations.

A significant event during the reporting period was the March acquisition of TranAm, a UK-based company, which as part of Duell's growth strategy will support the company's geographic expansion and product portfolio development. The acquisition significantly strengthens Duell's foothold in the major UK markets and provides a platform for future growth. TranAm is included in Duell's consolidated figures as of 28 February 2023.

Duell's key target was to decrease networking capital and net debt levels during 2023 by lowering inventory levels. The company reduced net working capital by around EUR 8 million during 2023 including the impact of TranAm's net working capital. A significant part of the reduction was achieved by lowering inventory levels and improving procurement terms.

In May 2023, Duell launched a profitability improvement program and it will continue throughout the financial year 2024. The aim is to increase sales margins, optimise, and where necessary, reduce the number of brands Duell represents by focusing on products with better margins and high stock rotation. The target is to improve profitability by EUR 3-4 million in the financial year 2024.

Duell implemented cost-saving program to adjust operating costs to lower-than-expected demand, lower sales, and high inventory levels. The aim of the change negotiations and cost savings program was to optimise structural changes in the company's operating environment and restructure the organisation to meet the company's long-term strategic objectives with more efficient and leaner structures. The total reduction was 34 positions.

FINANCIAL RESULT

Net sales decreased 4.2% to EUR 118.8 million (124.0). The decrease was attributable to lower consumer demand as a result of market uncertainties. In addition, the continued destocking by retailers had a direct impact on the company. Duell's organic net sales growth was -15.6% (15.7).

Net sales in the Nordics amounted to 58.8% (61.6), with the rest of Europe totalling 41.2% (38.4) of Duell's net sales. The decrease in the Nordics was due to the general uncertain market situation and the change in retailers' inventory levels. These factors had a strong impact on Nordic net sales as the company is the market leader in these countries. At the same time, the company was able to increase its market share in some European countries, even though the largest online dealers in Europe reduced their purchases.

The share of online channel sales of total net sales amounted to 24.7% (25.2) for the financial year ended 31 August 2023. The decrease was mainly attributable to the largest European online dealers reducing their purchases.

The share of own brand sales of the total net sales amounted to 21.8% (20.7) for the financial year 2023.

EBITA declined to EUR 3.4 million (6.7). Duell's adjusted EBITA decreased by 47.4% to EUR 4.6 million (8.7). Adjusted EBITA margin declined to 3.9% (7.0). The decline was primarily attributable to the decrease in revenue. The company was able to execute cost saving actions and was able to keep the cost structure under the proforma 2022 fixed expenses level. However, the cost structure still needs to be aligned to lower demand, and Duell will continue its profitability improvement project, with an additional focus on gross margin.

BALANCE SHEET, FINANCING AND INVESTMENTS

Duell's consolidated balance sheet total on 31 August 2023, was EUR 95.5 million (95.5). The amount of consolidated goodwill in the balance sheet was EUR 21.3 million (16.4). The most significant balance sheet changes compared to the comparison period was the decrease in the net working capital by EUR 7.8 million due to efficient NWC management, the increase in other reserves by EUR 8.6 million due to a directed Share Issue and the increase in goodwill by EUR 5.0 million followed by an acquisition completed during the financial year.

Duell has historically financed its operations with cash flow from operations as well as loans from financial institutions. Duell's liquidity requirements principally

arise from maintaining net working capital, regular operating expenses, and the expansion of its business in new markets, including acquisitions. Duell's cash and cash equivalents amounted to EUR 2.4 million (4.1) and total interest-bearing liabilities amounted to EUR 40.6 million (48.6) on 31 August 2023.

Duell's equity ratio was 38.6% (33.4) at the end of the reporting period, and the Group's return on equity was -8.2% (9.1). The equity ratio improved as a result of increased other reserves due to the directed Share Issue and a decrease in net debt.

Duell's net cash flow from operating activities in the full year 2023 was positive EUR 14.4 million (-6.5), an increase of EUR 20.9 million (-6.6). The increase in net cash flow from operating activities was primarily attributable to an improvement in net working capital. Net working capital amounted to EUR 49.9 million (57.7) on 31 August 2023, a decrease of EUR 7.8 million, whilst the TranAm acquisition led to an increase totalling EUR 7 million.

Duell's net cash flow from financing activities in the full year 2023 was EUR -4.9 million (20.9), a change of EUR -25.8 million (9.4). The decrease in net cash flow from financing activities was primarily attributable to the change of revolving credit facility (RCF) where the withdrawn portion was EUR 0 million (10.9) at the end of the financial year. In addition, the instalment

of long-term debt according to the amortisation plan decreased the cash flow financing activities, whereas the directed Share Issue totalling EUR 8.7 million had an increasing effect.

Duell's net debt was EUR 38.2 million (44.6) at the end of the reporting period. Duell's net debt to adjusted EBITDA ratio for the last 12 months was 7.0 (4.7). 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 not met at the financial year-end due to weaker profitability, even though the net working capital was managed efficiently. A waiver for covenant breach was received from the bank confirming that the loan will continue in accordance with the originally agreed repayment schedule. The next review of covenants is on 30 November 2023, when according to the Corporation's forecast, the conditions will not be met. The company is in negotiations with the bank to amend the covenant levels in the financial agreement.

Duell's net cash flow used in investing activities in the financial year 2023 was EUR -9.4 million (-12.5), a decrease of EUR 3.1 million (-3.4). The investments were primarily attributable to the TranAm acquisition. In addition, Duell increased the capital expenditure in the financial year, which relates to new ecommerce platform.

KEY FIGURES

EUR 1,000	Q4 2023 (Jun 2023– Aug 2023)	Q4 2022 (Jun 2022– Aug 2022)	FY 2023 (Sep 2022– Aug 2023)	FY 2022 (Sep 2021– Aug 2022)
Net sales	29,866	34,636	118,832	123,991
Net sales growth, %	-14.0	79.6	-4.2	61.5
Constant currency net sales growth, %	-9.5	80.7	-1.0	61.9
Organic net sales growth, %	-16.2	19.2	-15.6	15.7
Gross margin	6,550	7,410	28,344	29,607
Gross margin, %	21.9	21.4	23.9	23.9
EBITDA	101	1,984	4,307	7,383
EBITDA margin, %	0.3	5.7	3.6	6.0
Items affecting comparability, Gross margin*	131	-	131	-
Items affecting comparability, EBITDA*	370	0	1,193	2,074
Adjusted EBITDA	471	1,984	5,499	9,457
Adjusted EBITDA margin, %	1.6	5.7	4.6	7.6
EBITA	-145	1,776	3,401	6,652
EBITA margin, %	-0.5	5.1	2.9	5.4
Adjusted EBITA	225	1,776	4,594	8,726
Adjusted EBITA margin, %	0.8	5.1	3.9	7.0
Operating profit	-828	1,271	1,041	4,904
Operating profit margin, %	-2.8	3.7	0.9	4.0
Adjusted operating profit	-458	1,271	2,234	6,978
Adjusted operating profit margin, %	-1.5	3.7	1.9	5.6
Earnings per share, basic, EUR	-0.06	0.03	-0.10	0.08
Earnings per share, diluted, EUR	-0.06	0.03	-0.10	0.08
Number of outstanding shares at the end of the period, basic	30,545,474	25,454,574	30,545,474	25,454,574
Number of outstanding shares at the end of the period, diluted	30,545,474	25,454,574	30,545,474	25,454,574
Weighted average number of shares, basic	30,545,474	25,454,574	27,937,259	25,454,574
Weighted average number of shares, diluted	30,545,474	25,454,574	27,937,259	25,454,574

EUR 1,000	Q4 2023 (Jun 2023– Aug 2023)	Q4 2022 (Jun 2022– Aug 2022)	FY 2023 (Sep 2022– Aug 2023)	FY 2022 (Sep 2021– Aug 2022)
Investments in tangible and intangible assets excluding acquisitions	1,004	453	2,481	915
Net debt	38,248	44,571	38,248	44,571
Net working capital	49,873	57,718	49,873	57,718
Operating free cash flows	10,599	9,380	16,392	-1,818

*Items affecting comparability: EUR 370,000 in Q4 2023, generated from decision on destocking of certain brands EUR 130,000 in gross margin and EUR 110,000 in other operating expenses and restructuring costs EUR 130,000 in personnel expenses and other operating expenses (EUR 0 in Q4 2022). EUR 1,200,000 in 9/2022–8/2023 generated from restructuring costs EUR 600,000, directed share issue EUR 300,000, Financing arrangement EUR 60,000, decision on destocking of certain brands EUR 240,000 (EUR 2,100,000 IPO costs in 9/2021–8/2022).

OPERATIONAL KEY FIGURES

EUR 1,000	Q4 2023 (Jun 2023– Aug 2023)	Q4 2022 (Jun 2022– Aug 2022)	FY 2023 (Sep 2022– Aug 2023)	FY 2022 (Sep 2021– Aug 2022)
Number of brands	562	490	562	496
Share of own brand sales, % of total	18.0	15.9	21.8	20.7
Share of online sales, % of total	27.4	25.8	24.7	25.2
Equity ratio, %	38.6	33.4	38.6	33.4
Full-time equivalent employees, average*	224	232	218	193

*Including seasonal employees and 24 TranAm employees from March 2023 onwards.

Ten largest shareholders including nominee register:

Name	Nominee registered	Shares	% of shares
1. Hartwall Capital Oy Ab		6,732,558	22.04
2. Skandinaviska Enskilda Banken Ab (publ) Helsingin Sivukonttori	X	3,428,194	11.22
3. Sponsor Capital Oy		3,094,614	10.13
4. Keskinäinen Työeläkevakuutusyhtiö Varma		1,403,038	4.59
5. Säästöpankki Fonder		1,331,627	4.36
6. Keskinäinen Eläkevakuutusyhtiö Ilmarinen		1,168,992	3.83
7. Jarkko Ämmälä		1,100,000	3.60
8. Erikoissijoitusrahasto Aktia Mikro Markka		697,673	2.28
9. Keksinäinen Työvakuutusyhtiö Elo		640,000	2.10
10. Oy 4n-group Ab		587,863	1.92

Management shareholding:

Insider	Position	Number of shares	% of shares
Jarkko Ämmälä	CEO	1,100,000	3.60
Riitta Niemelä	CFO	240,000	0.79
Sami Heikkilä	Board member	79,785	0.26
Kim Ignatius	Board member	10,800	0.04
Anu Ora	Board member	10,750	0.04
Joakim Vest	Other position	5,000	0.02
Erwin Van Hoof	Other position	5,000	0.02
Pia Hoseus	Other position	3,226	0.01
Anna Hyvönen	Chairman	801	0.00
Søren Gaardboe	Vice Chairman	0	0.00
Niko Mokka	Board member	0	0.00
Jukka Smolander	Other position	0	0.00
Pellervo Hämäläinen	Other position	0	0.00
Heidi Markkanen	Other position	0	0.00
Total		1,455,362	4.77

SHARES AND SHAREHOLDERS

Shares issued and share capital

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 30,545,474 (25,454,574).

Duell successfully completed a directed Share Issue raising approximately EUR 8.7 million gross proceeds from the offering of 5,090,900 new shares. The proceeds from the Share Issue were used to finance the first instalment of the purchase price in relation to the acquisition of TranAm Ltd. The total number of issued shares after the share issue is 30,545,474.

Trading in shares

The closing share price during financial year 2023 on the first day of trading, 1 September 2022, was EUR 2.3 (6.06). On the last trading day of the financial period, 31 August 2023, the closing share price was EUR 1.03 (2.25). The highest price quoted in the financial year was EUR 2.4 (8.5) and the lowest EUR 1.0 (2.25). The average closing share price during the financial year was 1.68 EUR (5.25) and the average daily trading volume was 79,459 shares (106,031). Duell's market capitalisation on 31 August 2023, was EUR 31,461,838 (57,272,792).

Shareholders

Duell had 4,737 (2,679) shareholders on 31 August 2023. The company's 100 largest shareholders are presented on the company's investor website at https://investors.duell.eu/en/share_information/shareholders

REMUNERATION

The Annual General Meeting on 1 December 2022, resolved that the members of the Board of Directors are paid a monthly compensation in cash for their Board work and a meeting fee for committee work.

The Board of Directors are paid a monthly compensation as follows: Chair of the Board of Directors: EUR 4,000; Deputy Chair of the Board of Directors: EUR 3,000; and other members of the Board of Directors: EUR 2,000.

In addition, the Board of Directors receive a meeting fee for committee work: Chair of a Committee: EUR 1,000 per meeting, however, only if a member of the Board of Directors other than the Chair or Deputy Chair of the Board of Directors acts as the Chair of the Committee; and other members of Committees: EUR 500 per meeting.

The remuneration of the Board of Directors consists solely of a fixed monthly fee and meeting fees for committee work paid in cash. The members of the Board of Directors do not have an employment relationship or service agreement with Duell. The Board of Directors are not eligible for any incentive plan or any other variable incentives, nor supplementary pension plans. Board work related reasonable travel expenses are reimbursed to the Board members according to the Duell Group travel policy.



The remuneration of the CEO is complied with the Duell Remuneration Policy approved by the Annual General meeting 2022. The Board of Directors determines the remuneration paid and the basic principles of remuneration for the CEO. The remuneration paid to the CEO consists of a monthly salary, fringe benefits and a short-term incentive program. Additionally, the CEO's total remuneration includes contributions to a supplementary pension scheme. Any share-based program is not applied to the CEO.

Duell has established a short-term incentive scheme under which the CEO is awarded cash bonuses in addition to fixed salary. The objective of the incentive scheme is to incentivise the CEO to stay engaged and motivate the CEO to improve their performance. In addition, the incentive scheme aims to steer the work in a way that supports Duell's growth, profitability, and competitiveness. Payments under the incentive scheme are discretionary and tied to Duell's profitability. The terms and objectives of the incentive scheme are determined by the Board of Directors.

The People and Remuneration committee assists the Board in matters related to the nomination and remuneration of the CEO and other members of management. In addition, the Committee assists the Board in matters related to the development of the Group's corporate culture and personnel policy. The People and Remuneration Committee evaluates

and prepares the structure and allocation of the salary and incentives system as well as the performance incentive rules. For the success of the company, the identification, development of the key talents and successor planning of the management, is of utmost important. The Committee reports to the Board of Directors and gives the Board an annual summary of its actions during the financial year, including any observations made or recommendations given.

RISKS AND RISK ASSESSMENT

Risk management is a systematic activity aimed at ensuring the comprehensive and appropriate identification, assessment, management, and control of risks. It is an integral part of Duell's strategy process, decision-making, day-to-day management, and operations and control and reporting procedures in all operating countries.

Duell's Management Team reviews and updates the risks based on risk assessments and mitigation actions in various risk areas, which is shared with the Board of Directors. Duell must comply with laws and regulations enacted at both the national and EU level concerning its operations in relation to matters including health, environment, safety, consumer protection and marketing, general product safety, employment, competition, company law, data protection, international trade, and taxation in all countries in which Duell pursues business.

Duell's main risks relate to macroeconomic effects that may reduce demand for products, incorrect demand forecasting and related purchases and inventory level management, suppliers' distribution channel decisions, credit and foreign exchange risks, and changes in the competitive situation.

Market uncertainty and weakness will persist in 2024, with continued inflation and the overall market situation lowering consumer confidence. These factors will weaken predictability and increase business risks.

Geographical expansion and entry into new markets involves various risks that may adversely affect Duell's business and growth, such as the competitive situation in the new markets, challenges in establishing new supplier and customer relationships, lack of local brand recognition and failure to hire skilled personnel.

The company's capital structure, access to funding and cost of capital can have a significant impact on the efficient and profitable implementation of the company's strategy.

Members of Duell's Management Team at the end of the financial period were Jarkko Ämmälä (Chief Executive Officer), Riitta Niemelä (Chief Financial Officer), Erwin Van Hoof (Business Director, Powersports Business), Jukka Smolander (Business Director, Bicycle Business), Joakim Vest (Logistics Manager), Pia Hoseus (HR Director), Heidi Markkanen (Chief Digital Officer) and Pellervo Hämäläinen (Communications and IR Manager).

According to the Articles of Association, the Company must have an auditor, which is an audit firm approved by the Finnish Patent and Registration Office. The auditor's term of office ends at the end of the first Annual General Meeting following the election.

The Board of Directors prepares a proposal for the election of the auditor and the auditor's fee for the General Meeting, and the General Meeting elects the Company's auditor and decides on the auditor's fee.

Duell's statutory auditor is KPMG Oy Ab ("KPMG"), Authorised Public Accountants, with Authorised Public Accountant Mari Kaasalainen as the auditor with principal responsibility. Mari Kaasalainen is registered in the Finnish Register of Auditors pursuant to Chapter 6, Section 9 of the Finnish Auditing Act maintained by the Trade Register.

ORGANISATION AND PERSONNEL

Duell had an average of 218 (193) full-time equivalent (FTE) employees during the period, and at the end of the review period 212 (222). When calculating the average, the part-time nature of the employment relationship has also been considered. Out of the personnel, 142 employees (172) reside in the Nordic countries and 70 employees (50) in rest of Europe. The acquisition of TranAm increased the number of FTE in March by 24 employees.

Board of Directors, Management Team, and Auditors

Board Member	Member of Board	Committee membership
Anna Hyvönen	Chair since 12/2022 Member 11/2021–12/2022	People & Remuneration
Søren Gaardboe	Vice Chair since 12/2022	
Anu Ora	Member since 8/2021	People & Remuneration (Chair)
Sami Heikkilä	Member since 12/2022 Chair 9/2018–12/2022	Audit
Kim Ignatius	Member since 11/2022 Chair 12/2021–11/2022 Member 8/2021–12/2021	Audit (Chair)
Niko Mokka	Member since 11/2021	People & Remuneration Audit

Employees are Duell's most important asset. Duell wants to take care of the health and well-being of its employees and guarantee a safe working environment for all. The stable foundation and long history of the company enables long-term working relationships. Duell actively offers opportunities and diverse benefits for the development of staff. Comprehensive occupational healthcare (in Finland), a competitive incentive bonus system, and an exercise benefit are valued in the work community.

Duell's objective is to maintain an open and positive work culture, where the employee is valued and listened to. Equality means equal treatment and opportunities regardless of gender, background, or

any other non-professional reason. The company adheres to equality in the work community and also aims to promote equality at societal level.

During 2023, several key management positions were recruited, bringing additional competences and experience to support Duell's growth strategy. The team was strengthened with expertise in digital & IT development as well as the Bicycle and Powersports businesses and their categories.

Duell reorganised its operations to create more efficient and leaner structures. The efficiency of many processes was reassessed, and new ways of working have been tested. As part of the reorganisation and

adjusting its cost structure to lower-than-expected demand in the uncertain market conditions, Duell reduced a total of 34 positions during 2023.

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.

SUSTAINABILITY

Duell conducted a sustainability materiality analysis in spring 2023 together with stakeholders to identify the key sustainability issues on which the company should focus, both from the stakeholders and from Duell's business perspective. Based on the results, the company will continue to identify sustainability themes during financial year 2024 and taxonomy definition followed by sustainability metrics and targets to meet the requirements for listed companies and future sustainability standards.

MAJOR EVENTS AFTER REVIEW PERIOD

Duell announced that it has completed its cost savings program to adjust operating costs to lower-than-expected demand. As part of the measures, the company has completed change negotiations in the Finnish company Duell Bike-Center Oy and the

Swedish company Duell AB on 7 September 2023. Through the program, Duell will achieve additional annual cost savings of EUR 1.0 million across the Group, mainly from personnel cost reductions. The total number of personnel reductions in the Duell Group is 11 persons. The savings from the cost savings programme will mainly be achieved in the financial year starting on 1 September 2023.

The covenants on Duell's financial institutions loans relate to the share of net debt in EBITDA (Leverage) and the share of net debt of equity (Gearing). The covenants are reviewed on a quarterly basis. According to the financing agreement, in the event of a breach of the covenants, the bank has the right to terminate the loans and demand repayment. The conditions for the covenants were not met at financial year-end due to weaker profitability. A waiver was received from the bank that the loan will continue in accordance with the originally agreed repayment schedule. The breach of covenants has been approved in writing by the bank on 31 August 2023, and is valid until the next review date. The next review of covenants is on 30 November 2023, when according to the company's forecast, the conditions will not be met. The Company is in negotiations with the bank to amend the covenant levels in the financing agreement.

Duell announced that the publication of the company's full year 2023 financial statements will be brought forward from the original date of 9 November 2023, to 9 October 2023.



Duell specified and lowered its outlook and guidance for financial year 2023 and provided preliminary financial information on 20 September 2023.

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

Duell announced in October that the Company is considering a rights issue to strengthen its balance sheet and to ensure further execution of its strategy. According to preliminary plans, the size of the potential Offering would be up to approximately EUR 20 million. The completion and timing of the Offering is dependent on the market situation, and its completion is conditional on, among others, a share issue authorisation from the general meeting of the shareholders, publication of a prospectus approved by the Finnish Financial Supervisory Authority and sufficient support from the shareholders to complete the Offering. The Company has not made any decisions regarding the completion of the Offering, and there is no certainty about the completion, the timing for the completion or the terms and conditions

of the Offering, including the size of the Offering. The Board of Directors of the Company will later separately make a resolution on the potential completion of the Offering, its detailed terms and conditions and the timing. Duell will publish a separate announcement, when possible, on what resolutions regarding the Offering have been made.

MEDIUM TERM FINANCIAL TARGETS (3-5 YEARS)

(Targets changed)

Growth: Net sales in the range of EUR 200-300 million in medium-term, achieved through yearly growth organically and inorganically. The growth target remains unchanged, but the timeframe has been changed to medium-term from the previous by-the-end-of-2025 target.

Profitability: adjusted EBITA margin of at least 13% in the medium-term.

Leverage: net debt to adjusted EBITDA ratio in the range of 2-3. Leverage may temporarily exceed the target range (for example, in conjunction with acquisitions).

OUTLOOK FOR FINANCIAL YEAR 2024

Market uncertainty and weakness will persist in financial year 2024. Continued inflation and the overall challenging market situation has lowered consumer

confidence and demand. These factors will weaken predictability and therefore Duell is not giving an outlook for net sales for financial year 2024.

Duell will continue its profitability improvement program and plans to strengthen its capital structure in financial year 2024. Duell estimates adjusted EBITA to improve from the previous year's level.

ANNUAL GENERAL MEETING ON 5 DECEMBER 2023

The Annual General Meeting will take place on 5 December 2023, at 12.00 EET in Helsinki, Sanomatalo, Eliel-sali. The invitation, registration, and the agenda with the Board's proposals for the Annual General Meeting are presented on Duell's website <https://investors.duell.eu>.

THE BOARD'S PROPOSAL TO THE ANNUAL GENERAL MEETING

Duell Oyj's profit for the FY 2023 was EUR 188,884. The distributable funds on 31 August 2023, was EUR 31,903,551. The Board of Directors will propose to the Annual General Meeting on 5 December 2023, that the distributable funds will be retained in equity and that no dividend will be distributed.

DUELL'S FINANCIAL REPORTING AND ANNUAL GENERAL MEETING IN 2024

During 2024, Duell will publish financial information as follows:

- Business report September 2023–November 2023 (Q1 2024) on Thursday, January 18, 2024.
- Half-year financial report September 2023–February 2024 (Q2 2024) on Thursday, April 4, 2024.
- Business report September 2023–May 2024 (Q3 2024) on Wednesday, July 3, 2024.
- Financial Statements Bulletin for the fiscal year 9/2023–8/2024 (Q4 2024) on Wednesday, October 9, 2024.

The Annual Report will be published the week starting 21 October 2024.

Duell's Annual General Meeting of shareholders is scheduled for Wednesday, 20 November 2024.

Group Key figures

MEUR	1 Sep 2022– 31 Aug 2023	1 Sep 2021– 31 Aug 2022	1 Sep 2020– 31 Aug 2021
Net sales	118.8	124.0	76.8
Operating profit	1.0	4.9	7.3
Operating profit -%	0.9%	4.0%	9.5%
Return to equity -%*	-8.2%	9.1%	37.8%
Equity-to-asset ratio (excl. convertible bonds in equity)	38.6%	33.4%	15.2%
Equity-to-asset ratio (incl. convertible bonds in equity)	38.6%	33.4%	22.6%
Average number of employees	218	193	112
Wages and salaries	-9.9	-8.8	-5.1

Parent company Key figures

MEUR	1 Sep 2022– 31 Aug 2023	1 Sep 2021– 31 Aug 2022	1 Sep 2020– 31 Aug 2021
Net sales	0.7	0.6	0.4
Operating profit	-0.5	-2.3	-0.2
Operating profit -%	-73.3%	-410.1%	-46.4%
Equity-to-asset ratio (excl. convertible bonds in equity)	68.7%	58.6%	13.2%
Equity-to-asset ratio (incl. convertible bonds in equity)	68.7%	58.6%	32.8%

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

Parent company and Consolidated Group income statement

EUR	Group 1 Sep 2022– 31 Aug 2023	Group 1 Sep 2021– 31 Aug 2022	Parent company 1 Sep 2022– 31 Aug 2023	Parent company 1 Sep 2021– 31 Aug 2022
NET SALES	118,832,204	123,991,276	708,902	572,102
Other operating income	221,009	411,226	0	0
Materials and services				
Materials and consumables				
Purchases during the financial period	-81,350,659	-94,966,909	0	0
Change in Inventories, increase (-) or decrease (+)	-2,886,184	6,551,360	0	0
External services	-6,251,452	-5,968,822	0	0
Materials and services, total	-90,488,295	-94,384,371	0	0
Personnel expenses				
Wages and salaries	-9,922,214	-8,821,449	-503,380	-422,699
Other personnel expenses				
Pension expenses	-1,267,969	-949,241	-60,995	-57,441
Other social expenses	-1,569,357	-1,469,934	-3,584	-796
Personnel expenses, total	-12,759,540	-11,240,624	-567,960	-480,936
Depreciation according to plan	-3,265,499	-2,479,094	0	0
Other operating expenses	-11,498,817	-11,394,246	-660,542	-2,437,599
OPERATING PROFIT (-LOSS)	1,041,062	4,904,167	-519,599	-2,346,433

EUR	Group 1 Sep 2022– 31 Aug 2023	Group 1 Sep 2021– 31 Aug 2022	Parent company 1 Sep 2022– 31 Aug 2023	Parent company 1 Sep 2021– 31 Aug 2022
Financial income and expenses				
Other interest and financial income				
from Group companies	0	0	610,927	412,348
from others	1,613,862	1,078,244	740,171	373,247
Interest and other financial expenses				
from Group companies	0	0	-2,574	0
from others	-5,044,345	-2,989,104	-64,041	-593,919
Financial income and expenses, total	-3,430,483	-1,910,860	708,483	191,676
PROFIT (-LOSS) BEFORE APPROPRIATIONS AND TAXES	-2,389,421	2,993,307	188,884	-2,154,757
Appropriations				
Group contributions	0	0	0	1,855,287
Income taxes				
Taxes for the financial period	-500,522	-915,775	0	-1,176
Changes in deferred taxes	62,535	-149,093	0	0
Income taxes, total	-437,987	-1,064,868	0	-1,176
PROFIT (-LOSS) FOR THE FINANCIAL YEAR	-2,827,408	1,928,439	188,884	-300,646

Parent company and Consolidated Group balance sheet

EUR	Group 31 Aug 2023	Group 31 Aug 2022	Parent company 31 Aug 2023	Parent company 31 Aug 2022
ASSETS				
FIXED ASSETS				
Intangible assets				
Intangible rights	418,587	702,348	0	0
Other intangible assets	758,071	338,155	0	0
Assets under construction	1,826,249	283,491	0	0
Goodwill	21,345,323	16,370,652	0	0
Total intangible assets	24,348,230	17,694,646	0	0
Tangible assets				
Machinery and equipment	848,313	935,372	0	0
Investments				
Holdings within companies in the same group	0	0	20,889,340	20,889,340
Receivables in companies in the same	0	0	23,000,000	16,000,000
NON -CURRENT ASSETS, TOTAL	25,196,543	18,630,018	43,889,340	36,889,340

EUR	Group 31 Aug 2023	Group 31 Aug 2022	Parent company 31 Aug 2023	Parent company 31 Aug 2022
CURRENT ASSETS				
Current assets				
Inventories	49,502,932	47,879,508	0	0
Advance payments	945,207	3,366,717	0	0
Total current assets	50,448,139	51,246,225	0	0
Receivables				
Non-current				
Other non-current receivables	158,558	166,542	0	0
Current				
Trade receivables	15,757,656	20,306,615	91,271	94,282
Loan receivables	2,800	3,500	13,613	28,038
Other current receivables	544,309	200,203	0	77,160
Pre-paid expenses and accrued income	988,467	848,919	2,538,582	2,423,213
Total current receivables	17,293,232	21,359,237	2,643,466	2,622,694
Cash and cash equivalents	2,386,197	4,066,317	0	0
CURRENT ASSETS, TOTAL	70,286,126	76,838,321	2,643,466	2,622,694
ASSETS, TOTAL	95,482,669	95,468,339	46,532,806	39,512,033

EUR	Group 31 Aug 2023	Group 31 Aug 2022	Parent company 31 Aug 2023	Parent company 31 Aug 2022
EQUITY AND LIABILITIES				
EQUITY				
Capital and reserves				
Share capital	80,000	80,000	80,000	80,000
Other reserves				
Reserve for invested unrestricted equity	32,887,037	24,232,507	32,887,037	24,232,507
Retained earnings	6,743,289	5,612,331	-1,172,370	-871,724
Profit (-loss) for the financial year	-2,827,408	1,928,439	188,884	-300,646
Equity, total	36,882,918	31,853,277	31,983,551	23,140,137
LIABILITIES				
Non-current				
Loans from financial institutions	32,148,045	45,497,592	11,345,545	13,011,478
Deferred tax liabilities	17,448	78,370	0	0
Other liabilities	96,872	92,815	0	0
Non-current liabilities, total	32,262,365	45,668,777	11,345,545	13,011,478
Current				
Loans from financial institutions	2,198,000	3,140,000	1,183,000	1,690,000
Trade liabilities	12,073,417	7,592,965	1,322,552	1,524,116
Other current liabilities	9,144,812	3,976,071	73,721	21,506
Accrued expenses and deferred income	2,921,156	3,237,248	624,437	124,795
Current liabilities, total	26,337,385	17,946,284	3,203,709	3,360,418
LIABILITIES, TOTAL	58,599,750	63,615,061	14,549,255	16,371,896
EQUITY AND LIABILITIES, TOTAL	95,482,669	95,468,339	46,532,806	39,512,033

Parent company and Consolidated Group cash flow

EUR	Group 31 Aug 2023	Group 31 Aug 2022	Parent company 31 Aug 2023	Parent company 31 Aug 2022
Cash flow from operating activities				
Operating profit (-loss)	1,041,061	4,904,168	-519,599	-2,346,433
Depreciation according to plan	905,102	730,789	0	0
Goodwill amortisation	2,360,397	1,748,305	0	0
Other income and expenses not associated with payment	233,782	-859,471	27,505	5,951
Changes in working capital	13,373,640	-10,360,501	-342,856	1,115,971
Financial expenses and income	-2,973,137	-1,676,389	-597,504	-316,821
Income taxes	-549,029	-1,015,115	0	-41,411
Net cash flow from operating activities	14,391,816	-6,528,214	-1,432,454	-1,582,742
Cash flow from investing activities				
Investment of intangible and tangible assets	-2,481,062	-914,805	0	0
Loans granted to group companies	0	0	-7,000,000	-13,000,000
Repayment of loans from group companies	0	0	14,425	0
Acquired shares in subsidiaries	-6,939,150	-11,587,887	0	0
Net cash flow from investing activities	-9,420,211	-12,502,692	-6,985,575	-13,000,000

EUR	Group 31 Aug 2023	Group 31 Aug 2022	Parent company 31 Aug 2023	Parent company 31 Aug 2022
Cash flow from financing activities				
Withdrawals of long-term loans	0	10,000,000	0	0
Repayment of non-current debt	-2,669,000	-16,663,325	-1,436,500	-7,358,105
Interest and charges for financial expenses	0	-134,200	0	-134,200
Credit limit change	-10,886,114	7,676,500	0	0
Group contribution	0	0	1,200,000	2,060,000
Share issue	8,654,530	20,000,002	8,654,530	20,000,002
Net cash flow from financing activities	-4,900,584	20,878,977	8,418,030	14,567,697
Unrealised exchange and currency translation differences	-1,751,140	-596,364	0	0
Cash and cash equivalents at the beginning of the financial year	4,066,316	2,814,608	0	15,045
Changes in cash and cash equivalents	-1,680,119	1,251,708	0	-15,045
Cash and cash equivalents at the end of the financial year	2,386,197	4,066,316	0	0

Notes to the financial statements

Duell corporation notes

ACCOUNTING AND VALUATION PRINCIPLES

General about the Group

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

Scope of consolidated financial statements

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

Going concern

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

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

Elimination of ownership within the Group

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

Business transactions within the Group

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

Deferred taxes

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

Items in foreign currency

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

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

**Valuation of fixed assets**

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

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

Applied rules for depreciation

Intangible assets

Goodwill	linear depreciation in 10 years
Other intangible expenditure	linear depreciation in 3 years
Trademarks	linear depreciation in 5 years

Tangible assets

Machinery and equipment	25% depreciation of residual value
Vehicles	25% depreciation of residual value

Inventories

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

Research and development expenditure

Research and development costs are recognised 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:

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

Related party granted loan transactions, Parent company

EUR	2023	2022
Group loan	7,000,000	13,000,000

Related party loans transactions, Parent company

EUR	2023	2022
Convertible bonds	0	5,764,243



Events during the financial year

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

Duell Corporation has carried out the offering of 5,090,900 new shares in the Company in a directed share issue to a limited number of institutional and other investors in deviation of the pre-emptive subscription right of the shareholders (the "Share Issue"). The Company announced the commencement of the book-building process with a stock exchange release on March 1, 2023.

The Company received gross proceeds of approximately EUR 8.7 million as a result of the Share Issue. The proceeds from the Share Issue were used to finance the first installment of the purchase price in relation to the acquisition of TranAm Ltd announced by the Company on February 27, 2023.

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

Duell announced on September 29, 2022, about cost savings programme concerning whole Group and as part to of the programme to start change negotiations in Finnish companies on October 4, 2022, in accordance with the Co-operation Act. The need to reduce workforce in production is based on financial and operational reorganisation grounds as well to achieve synergies within the Group.

Duell announced on February 2, 2023, that it had completed the change negotiations. The personnel reduction realised in the entire Duell Group was a total of 23 people. The cost saving at the Group level for the 2023 financial year is approximately EUR 700,000 and for 2024 EUR 1.3 million.

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

Events after the financial year

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

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

Notes to income statement

Net sales split EUR	Group 31 Aug 2023	Group 31 Aug 2022	Parent company 31 Aug 2023	Parent company 31 Aug 2022
Domestic	37,387,500	36,094,589	708,902	572,102
Other Europe	79,648,433	87,484,550	0	0
Other	1,796,271	412,137	0	0
Total	118,832,204	123,991,276	708,902	572,102

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 31 Aug 2023	Group 31 Aug 2022	Parent company 31 Aug 2023	Parent company 31 Aug 2022
Average number of employees during the financial year	218	193	2	2
Number of employees at the end of reporting period	238	232	2	2
Notes regarding the personnel and governance bodies				
Board of Directors' and Managing director's salaries and remuneration	394,778	215,735	394,778	215,735

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

The Group companies have not granted loans to related parties.

Depreciation and impairment

EUR	Group 31 Aug 2023	Group 31 Aug 2022	Parent company 31 Aug 2023	Parent company 31 Aug 2022
Depreciation of tangible assets	-332,116	-230,018	0	0
Depreciation of intangible assets	-2,933,383	-2,249,076	0	0
Depreciation, total	-3,265,499	-2,479,094	0	0

Financial income and expenses

EUR	Group 31 Aug 2023	Group 31 Aug 2022	Parent company 31 Aug 2023	Parent company 31 Aug 2022
Interest income				
from Group companies	0	0	610,927	412,348
from others	25,015	14,720	3,703	22
Other financial income	1,588,848	1,063,525	736,468	373,224
Interest and other financial expenses	-5,044,345	-2,989,104	-642,615	-593,919
Financial items, total	-3,430,482	-1,910,859	708,483	191,676

Auditor's fees

EUR	Group 31 Aug 2023	Group 31 Aug 2022	Parent company 31 Aug 2023	Parent company 31 Aug 2022
Audit firm				
Audit	129,641	222,387	22,899	20,000
Other services	41,585	149,286	0	3,900
Total	171,226	371,673	22,899	23,900



Notes to balance sheet

Intangible and tangible assets

Group	Intangible rights	Other intangible assets	Assets under construction	Goodwill	Total intangible assets	Machinery and equipment	Total tangible assets
Acquisition cost on 1 Sep	2,160,596	1,161,617	283,491,32	19,936,438	23,542,143	2,236,671	2,236,671
Additions	47,536	676,829	1,627,142	7,335,069	9,686,576	213,940	213,940
Decreases	0	0	-84,384	0	-84,384	-48,498	-48,498
Group companies assets at acquisition	0	63,324	0	0	63,324	205,062	205,062
Currency translation difference	-139,854	-13,829	0	0	-153,683	-26,269	-26,269
Adjustments	6,819	-40,029			-33,210		
Acquisition cost on 31 Aug	2,075,097	1,847,912	1,826,249	27,271,508	33,020,765	2,580,905	2,580,905
Accumulated depreciation on 1 Sep	-1,458,249	-823,464	0	-3,565,786	-5,847,498	-1,301,297	-1,301,297
Depreciation during financial year	-283,972	-289,014	0	-2,360,397	-2,933,383	-331,765	-331,765
Group companies accumulated depreciation at acquisition	0	0	0	0	0	-145,766	-145,766
Accumulated depreciation at decreased assets	0	0	0	0	0	28,652	28,652
Currency translation difference	85,712	19,359	0	0	105,071	20,863	20,863
Adjustments		3,278	0	0	3,278	-3,278	-3,278
Accumulated depreciation on 31 Aug	-1,656,509	-1,089,841	0	-5,926,183	-8,672,533	-1,732,592	-1,732,592
Carrying amount on 31 Aug	418,587	758,071	1,826,249	21,345,323	24,348,230	848,313	848,314

Parent Company

	Investments in subsidiaries
Acquisition cost on 1 Sep	20,889,340
Additions	0
Decreases	0
Acquisition cost on 31 Aug	20,889,340

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%
TranAm (New Milton) Ltd	New Milton	100%
TranAm Ltd	New Milton	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%

Receivables

EUR	Group 31 Aug 2023	Group 31 Aug 2022	Parent company 31 Aug 2023	Parent company 31 Aug 2022
Non-current receivables				
Loan receivables from Group companies	0	0	23,000,000	16,000,000
Other non-current receivables	158,558	450,034	0	0
Current receivables				
Trade receivables	15,757,656	20,306,615	91,271	94,282
Receivables from Group companies				
Pre-paid expenses and accrued income	0	0	2,428,982	2,406,189
Interest receivables	0	0	2,081,156	1,113,789
Group contribution from Group company	0	0	0	733,825
Other pre-paid expenses and accrued income	0	0	347,826	558,575
Other current receivables				
Other current receivables	547,109	203,703	123,213	122,222
Pre-paid expenses and accrued income	988,467	848,919	0	0
	17,293,232	21,359,237	25,643,466	18,622,694

Shares in the Parent company

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

Parent company 31 Aug 2023

Shares in the Parent company	30,545,474 shares
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At the end of the financial year one share of the company was valued at 1.03 euro and the company's market value was 31,461,838 euro.

EQUITY

EUR	Group 31 Aug 2023	Group 31 Aug 2022	Parent company 31 Aug 2023	Parent company 31 Aug 2022
Share capital on 1 Sep	80,000	2,500	80,000	2,500
Increase in share capital	0	77,500	0	77,500
Share capital on 31 Aug	80,000	80,000	80,000	80,000
Reserve for invested unrestricted equity on 1 Sep	24,232,507	4,310,005	24,232,507	4,310,005
Share issue	8,654,530	20,000,002	0	20,000,002
Increase in share capital	0	-77,500	8,654,530	-77,500
Reserve for invested unrestricted equity on 31 Aug	32,887,037	24,232,507	32,887,037	24,232,507
Retained earnings on 1 Sep	7,540,773	6,207,088	-1,172,370	-871,724
Adjustment to retained earnings	0	-236,000	0	0
Currency translation differences	-797,484	-358,753	0	0
Retained earnings on 31 Aug	6,743,289	5,612,334	-1,172,370	-871,724
Profit (loss) for the period	-2,827,408	1,928,439	188,884	-300,646
Equity, total	36,882,918	31,853,280	31,983,551	23,140,137
Distributable funds on 31 Aug				
Reserve for invested unrestricted equity			32,887,037	24,232,507
Retained earnings			-1,172,370	-871,724
Profit (loss) for the period			188,884	-300,646
Total distributable funds at 31 Aug			31,903,551	23,060,137

Non-current liabilities

EUR	Group 31 Aug 2023	Group 31 Aug 2022	Parent company 31 Aug 2023	Parent company 31 Aug 2022
Loans from financial institutions	32,148,045	45,497,592	11,345,545	13,011,478
Convertible bond loans	0	0	0	0
Other non-current debt	96,872	92,815	0	0
Deferred tax liabilities	17,448	78,370	0	0
Non-current liabilities, total	32,262,365	45,668,777	11,345,545	13,011,478

Deferred tax liability consists of adjustments to the acquisition calculations.

Current liabilities

EUR	Group 31 Aug 2023	Group 31 Aug 2022	Parent company 31 Aug 2023	Parent company 31 Aug 2022
Loans from financial institutions	2,198,000	3,140,000	1,183,000	1,690,000
Trade payables	12,073,417	7,592,965	1,322,552	1,524,116
Other current liabilities	9,144,812	3,976,071	73,721	21,506
Accrued expenses and deferred income	2,921,156	3,237,248	624,437	124,795
Wages and salaries	1,269,789	1,262,264	37,444	38,985
Interest expenses	222,429	77,235	33,365	23,173
Other accrued expenses and deferred income	1,428,938	1,897,749	553,628	62,637
Current liabilities, total	26,337,385	17,946,284	3,203,709	3,360,418

Collaterals and off-balance sheet commitments

EUR	Group 31 Aug 2023	Group 31 Aug 2022	Parent company 31 Aug 2023	Parent company 31 Aug 2022
Loans and other liabilities pledged with collaterals				
Loans from financial institutions	34,346,045	48,637,592	12,528,545	14,701,478
Credit limits	21,000,000	19,000,000	0	0
whereof used	0	10,886,114	0	0
Import letter of credit	500,000	2,500,000	0	0
whereof used	0	1,759,708	0	0
Other collaterals	600,000	469,591	0	93
whereof used	305,177	344,552	0	93

Given Collaterals

EUR	Group 31 Aug 2023	Group 31 Aug 2022	Parent company 31 Aug 2023	Parent company 31 Aug 2022
Corporate mortgage	120,640,000	120,640,000	120,640,000	120,640,000
Subsidiary shares	0	0	20,889,340	20,889,340

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

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

Rental commitments

EUR	Group 31 Aug 2023	Group 31 Aug 2022	Parent company 31 Aug 2023	Parent company 31 Aug 2022
Current rental commitments	2,163,635	2,294,529	0	0
Non-current rental commitments	8,455,744	9,289,798	0	0
Total	10,619,379	11,584,328	0	0

Lease commitments

EUR	Group 31 Aug 2023	Group 31 Aug 2022	Parent company 31 Aug 2023	Parent company 31 Aug 2022
Current lease commitments	326,300	299,038	11,430	16,245
Non-current lease commitments	280,305	226,896	0	10,830
Total	606,605	525,934	11,430	27,075

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

Derivatives

EUR	Group 31 Aug 2023	Group 31 Aug 2022	Parent company 31 Aug 2023	Parent company 31 Aug 2022
Fair value of interest hedging	34,163	33,642	34,163	33,642
Target value of interest hedging	4,391,731	4,995,739	4,391,731	4,995,739
Fair value of currency hedging	69,519	80	0	0
Target value of currency hedging	2,835,432	348,063	0	0

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



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

Finland on 8 October 2023

Anna Hyvönen
Chairman of the Board

Søren Gaardboe
Vice Chairman of the Board

Anu Ora
Board member

Kim Ignatius
Board member

Sami Heikkilä
Board member

Niko Mokka
Board member

Jarkko Ämmälä
Managing director

Auditor's note

A report on the audit performed has been issued today.

Finland on 8 October 2023

KPMG Oy Ab

Mari Kaasalainen
CPA



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