



Duell Corporation
First Quarter 2025 Financial Report

September-November 2024



This is not an interim report in accordance with IAS 34. The company complies with the semi-annual reports required by the Securities Markets Act and normally publishes business reports for the first three and first nine months of the year, which present key information describing the company's financial development. Unaudited financials presented below:

Growth and improved profitability continued in the first quarter 2025

September-November 2024 "Q1 2025" (comparable figures in parenthesis 9/2023-11/2023):

- Net sales increased 4.7% to EUR 28.3 million (EUR 27.0 million), growth being fully organic. Net sales with comparable currencies increased 4.4%.
- Adjusted EBITA was EUR 0.7 million (EUR 0.3 million) with an adjusted EBITA margin of 2.4% (1.0%).
- Net working capital EUR 53.5 million (EUR 55.5 million).
- Cash flow from operating activities was EUR -4.8 million (EUR -7.0 million).
- Earnings per share was EUR -0.08 (EUR -0.06) (according to the number of shares at the end of the review period).

Guidance 2025 (unchanged)

Markets have somewhat stabilised, but consumer sentiment remains fragile due to uncertainties. Duell expects the demand over the next 12 months to be slightly better than the comparison period, but there may be variations between product categories. The industry in which Duell operates remains relatively fragmented, which provides long-term opportunities and favours the larger players, of which Duell is one. Therefore, our guidance for financial year 9/2024-8/2025 is, that:

- Duell expects that organic net sales with comparable currencies will be at the same level or higher than previous year.
- Duell will continue to focus on improving profitability and expects adjusted EBITA to improve from last year's level.

Medium-term financial targets (3-5 years) (Unchanged)

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).

CEO Magnus Miemois:

I am pleased with Duell's first quarter 2025 performance. The development during the quarter was good despite the late start of Nordic winter season. We increased our fully organic net sales by 4.7% to over 28 million euro and adjusted EBITA grew to 0.7 million euro. Both market areas; Nordics and Central Europe contributed to the growth with main product categories being ATV and Snowmobile, where Duell have a strong brand portfolio and market position. In October, we started change negotiations aimed at improving operational efficiency and achieving annual cost savings.

We also continued to improve our net working capital management with the goal to accelerate inventory turnaround and to reduce the inventory levels. Performance was positive on both counts. We have also significantly strengthened our financial position compared to the previous year, thanks to the rights issue that was completed in January 2024.

| Key figures and ratios | Q1 2025 | Q1 2024 | FY 2024 |
|--|------------------|------------------|------------------|
| EUR thousand | (9/2024-11/2024) | (9/2023-11/2023) | (9/2023-08/2024) |
| Net sales | 28,292 | 27,014 | 124,652 |
| Net sales growth, % | 4.7 | 4.9 | 4.9 |
| Net sales growth with comparable currencies, % | 4.4 | 7.4 | 5.7 |
| Gross margin | 7,057 | 6,456 | 30,339 |
| Gross margin, % | 24.9 | 23.9 | 24.3 |
| EBITDA | 810 | -193 | 4,564 |
| EBITDA margin, % | 2.9 | -0.7 | 3.7 |
| Items affecting comparability, EBITDA | 115 | 731 | 2,577 |
| Adjusted EBITDA | 925 | 538 | 7,141 |
| Adjusted EBITDA margin, % | 3.3 | 2.0 | 5.7 |
| EBITA | 557 | -457 | 3,628 |
| EBITA margin, % | 2.0 | -1.7 | 2.9 |
| Adjusted EBITA | 672 | 274 | 6,205 |
| Adjusted EBITA margin, % | 2.4 | 1.0 | 5.0 |
| Operating profit | -141 | -1,148 | 842 |
| Operating profit margin, % | -0.5 | -4.3 | 0.7 |
| Earnings per share, basic, EUR* | -0.08 | -0.06 | -0.003 |
| Earnings per share, diluted, EUR* | -0.08 | -0.06 | -0.003 |
| Number of outstanding shares at the end of the period, basic** | 5,160,574 | 30,545,474 | 1,038,546,116 |
| Number of outstanding shares at the end of the period, diluted** | 5,303,574 | 30,545,474 | 1,046,544,706 |
| Investments in tangible and intangible assets excluding acquisitions | 176 | 267 | 746 |
| Net debt | 24,721 | 45,177 | 19,563 |
| Net working capital | 53,509 | 55,456 | 48,323 |
| Inventory, % of LTM*** net sales | 38.4 | 43.3 | 36.1 |
| Cashflow from operating activities | -4,794 | -7,014 | -912 |
| Equity ratio, % | 53.1 | 34.8 | 55.0 |

* According to the number of shares at the end of the review period

**The company does not report the average number of shares for the period due to the reverse split

***LTM = Last twelve months

| Operational key figures | Q1 2025 (9/2024- 11/2024) | Q1 2024 (9/2023- 11/2023) | FY 2024 (9/2023- 08/2024) |
|--|---------------------------------|---------------------------------|---------------------------------|
| Number of brands | 536 | 559 | 562 |
| Share of own brand sales, % of total | 21 | 22 | 18 |
| Share of online sales, % of total | 25 | 24 | 26 |
| Share of sales in Nordics, % of total | 54 | 56 | 53 |
| Share of sales in Central Europe, % of total | 46 | 44 | 47 |
| Full-time equivalent employees, average | 206 | 211 | 215 |

Net sales

Duell's net sales increased 4.7% (4.9%) to EUR 28.3 million (EUR 27.0 million).

Net sales from Nordics amounted to 54% (56%), the Central Europe market area amounted to 46% (44%) of Duell's net sales.

The share of online channel sales of total net sales amounted to 25% (24%) for the financial year.

The share of own brand sales of the total net sales amounted to 21% (22%) in the financial year.

Profitability

Duell's EBITA increased to EUR 0.6 million (EUR -0.5 million). Adjusted EBITA increased by 145.3% to EUR 0.7 million (EUR 0.3 million). Adjusted EBITA margin increased to 2.4% (1.0%).

Financial position and cash flow

Duell's consolidated balance sheet total on November 30, 2024, was EUR 96.1 million (EUR 101.4 million). The amount of consolidated goodwill in the balance sheet was EUR 18.5 million (EUR 21.0 million).

Duell's cash and cash equivalents amounted to EUR 5.5 million (EUR 5.7 million) and total interest-bearing liabilities amounted to EUR 30.2 million (EUR 50.8 million) on November 30, 2024. Total interest-bearing liabilities comprise loans from financial institutions and utilisation of Revolving Credit Facility.

Duell's equity ratio was 53.1% (34.8%) on November 30, 2024, and the Group's return on equity was -0.8% (-5.4%). The equity ratio increased due to rights issue and decrease of net debt.

Duell's net cash flow from operating activities in Q1 2025 was EUR -4.8 million (EUR -7.0 million), an increase of EUR 2.2 million.

Duell's net debt was EUR 24.7 million on November 30, 2024, (EUR 45.2 million). Duell's net debt to adjusted EBITDA ratio for the last 12 months was 3.1 on November 30, 2024 (7.2). The covenants for loans from financial institutions relate to net debt to EBITDA (Leverage), level of EBITDA and the amount of net debt in proportion to equity (Gearing). The conditions for the covenants were met at the end of the review period.

Investments

Duell's net cash flow used in investing activities in Q1 2025 was EUR 0.2 million (EUR 0.3 million) a decrease of EUR 0.1 million. The investments were primarily attributable capital expenditure related to Duell's ecommerce platform.

Personnel

Duell had an average of 206 (211) full-time equivalent (FTE) employees during the period, and at the end of the review period 206 (212). When calculating the average, the part-time nature of the employment relationship has also been considered. Out of the personnel employees 142 (141) are in the Nordic countries and employees 64 (70) in Central Europe.

Significant events during review period

Duell announced to start change negotiations on October 9, 2024, with the aim of improving operational efficiency by adapting operations and workloads to the current market situation. The aim of the efficiency measures, which will affect the Group's all 220 employees, is to achieve annual cost savings of approximately EUR 1 million, mainly in the financial year 2025. The total estimated need for reductions in the Duell Group is up to 20 positions.

Duell announced on October 9, 2024 that the Board of Directors proposed that the combination of shares would be implemented by issuing new shares in the company without consideration and by redeeming shares in the company without consideration so that after carrying out the arrangements under this proposal, each existing 200 shares in the company would correspond to one (1) share in the company.

Duell completed its share buy-back programme on 15 October 2024. The buybacks started on 5 August 2024. Under the buy-back programme, the company acquired 6,760,000 shares at an average price of EUR 0.0369. The shares were repurchased in public trading on the First North Growth Market Finland marketplace operated by Nasdaq Helsinki Ltd at the market price at the time of acquisition. After the buybacks, the company held a total of 6,760,000 shares, which corresponds to approximately 0.7% of the total number of 1,038,546,116 shares in Duell Corporation.

The Annual General Meeting held on November 20, 2024, resolved on the combination of shares, i.e., the reduction of the number of shares and related directed share issue and redemption of shares.

The Board of Directors of Duell Corporation has decided in the organisational meeting held on November 20, 2024, after Annual General Meeting that Anna Hyvönen is elected as the chair of the Board of Directors. Anu Ora is elected as the chair of the People and Remuneration Committee and Niko Morkkila and Anna Hyvönen as members of the People and Remuneration Committee. Kim Ignatius is elected as the chair of the Audit Committee and Axel Lindholm and Anna Hyvönen as members of the Audit Committee.

Duell announced on November 22, 2024, that it has executed a reverse split and a related directed share issue without consideration, redemption of shares and cancellation of shares. After these measures, the new number of shares in the Company is 5,194,374. The new number of shares has been registered with the Trade Register maintained by the Finnish Patent and Registration Office today, November 22, 2024, and trading with the new total number of shares in the Company commences on Monday November 25, 2024, with a new ISIN code FI4000582143. Duell's trading code DUELL will remain the same.

Significant events after review period

On 16 January 2025, Duell announced that it had completed the efficiency programme covering the entire Group and its entire workforce of approximately 220 employees, which was launched on October 15, 2024. As part of the programme, the company completed the change negotiations and related measures in the Finnish and Swedish companies. In the other Group country companies, the personnel changes have been implemented by, among other things, rearranging jobs instead of recruiting replacements. At the beginning of the efficiency programme, the company defined that decisions on the efficiency programme measures would be taken by 16 January 2025. Approximately half of the savings will be achieved through personnel cost reductions and half through other efficiency measures. The total number of personnel reductions in the Duell Group is 13 positions. Duell will achieve the targeted annual cost savings of approximately EUR 1 million through the efficiency programme, which will be applied to the last three quarters of the financial year starting September 1, 2024.

Webcast for investors and media

Duell will arrange a live webcast for investors and media in English on January 16, 2025, at 10.30 am EET. The webcast can be followed online through this [link](#). A presentation will be held by CEO Magnus Miemois, CFO Caj Malmsten and IR Pellervo Hämäläinen. A recording of the event will be available later the same day at <https://investors.duell.eu/>.

Financial reporting and Annual General Meetings in Financial Year 2025

During the Financial Year 2025, Duell will publish financial information as follows:

- Half-year financial report September 2024–February 2025 (Q2 2025) on Thursday, April 10, 2025.
- Financial report September 2024–May 2025 (Q3 2025) on Thursday, July 3, 2025.
- Financial Statements Bulletin for the financial year 9/2024–8/2025 (Q4 2025) on Thursday, October 16, 2025.

Annual Report 2025, which includes, among other things, the Report of the Board of Directors and the Company's financial statements, in the week commencing October 27, 2025.

Duell's Annual General Meeting of shareholders is scheduled for Tuesday, November 25, 2025.

The financial reviews and the annual report will be available after publication on the company's investor website at (https://investors.duell.eu/en/reports_and_presentations).

Further information

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Financial figures of Q1 2025 financial report September 1, 2024-November 30, 2024

Consolidated Income Statement

| | 01.09.2024 - 30.11.2024 | 01.09.2022 - 30.11.2023 | 01.09.2023 - 31.8.2024 |
|--|----------------------------|----------------------------|---------------------------|
| Currency: EURO | | | |
| NET SALES | 28 292 | 27 014 | 124 652 |
| Other operating income | 55 | 72 | 273 |
| Materials and services | | | |
| Materials and consumables | | | |
| Purchases during the period | -24 346 | -20 102 | -83 279 |
| Change in inventories | 4 477 | 865 | -4 501 |
| External services | -1 365 | -1 322 | -6 533 |
| Materials and services total | -21 235 | -20 559 | -94 313 |
| Personnel expenses | | | |
| Wages and salaries | -2 895 | -2 601 | -10 707 |
| Social security expenses | | | |
| Pension expenses | -359 | -362 | -1 124 |
| Other social expenses | -319 | -371 | -1 436 |
| Personnel expenses total | -3 573 | -3 333 | -13 267 |
| Depreciation and amortization | -951 | -955 | -3 722 |
| Other operating expenses | -2 729 | -3 387 | -12 780 |
| OPERATING PROFIT (-LOSS) | -141 | -1 148 | 842 |
| Financial income and expenses | | | |
| Other Interest and other financial income | 440 | 554 | 1 629 |
| Interest and other financial expenses | -925 | -1 231 | -4 138 |
| Financial income and expenses total | -485 | -677 | -2 509 |
| Profit before appropriations and taxes | -626 | -1 825 | -1 667 |
| Income taxes | 203 | -117 | -959 |
| PROFIT (-LOSS) FOR THE FINANCIAL PERIOD | -423 | -1 942 | -2 626 |

Consolidated Balance Sheet

| Currency: EURO | 30.11.2024 | 30.11.2023 | 31.8.2024 |
|-------------------------------------|---------------|----------------|---------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Immaterial rights | 136 | 427 | 208 |
| Goodwill | 18 514 | 21 036 | 19 138 |
| Other intangible assets | 1 070 | 994 | 1 023 |
| Assets under construction | 1 713 | 1 833 | 1 735 |
| Intangible assets total | 21 433 | 24 290 | 22 105 |
| Machinery and equipment | 678 | 811 | 695 |
| Tangible assets total | 678 | 811 | 695 |
| TOTAL NON-CURRENT ASSETS | 22 111 | 25 101 | 22 799 |
| CURRENT ASSETS | | | |
| Inventories | 46 856 | 50 764 | 43 291 |
| Advance payments | 1 510 | 1 220 | 1 708 |
| Inventories total | 48 365 | 51 984 | 44 999 |
| Other long-term receivables | 164 | 0 | 165 |
| Total long-term receivables | 164 | 0 | 165 |
| Trade receivables | 17 612 | 16 975 | 14 445 |
| Other receivables | 1 382 | 418 | 1 002 |
| Prepaid expenses and accrued income | 932 | 1 220 | 1 224 |
| Total short-term receivables | 19 927 | 18 613 | 16 672 |
| Cash at bank | 5 514 | 5 666 | 9 288 |
| TOTAL CURRENT ASSETS | 73 970 | 76 263 | 71 123 |
| TOTAL ASSETS | 96 081 | 101 364 | 93 923 |

| Currency: EURO | 30.11.2024 | 30.11.2023 | 31.8.2024 |
|--|---------------|----------------|---------------|
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Share capital | 80 | 80 | 80 |
| Reserve for invested unrestricted equity | 52 797 | 32 887 | 52 979 |
| Retained earnings | -1 468 | 4 262 | 1 214 |
| Profit (-loss) for the financial year | -423 | -1 942 | -2 626 |
| TOTAL EQUITY | 50 987 | 35 287 | 51 647 |
| NON-CURRENT LIABILITIES | | | |
| Loans from financial institutions | 25 441 | 32 157 | 25 552 |
| Other non-interest bearing liabilities | 95 | 113 | 95 |
| Total non-current liabilities | 25 536 | 32 270 | 25 647 |
| CURRENT LIABILITIES | | | |
| Loans from financial institutions | 4 795 | 18 685 | 3 298 |
| Trade payables | 7 870 | 9 568 | 7 601 |
| Other current liabilities | 2 936 | 2 220 | 2 720 |
| Accrued expenses and deferred income | 3 957 | 3 334 | 3 008 |
| Total current liabilities | 19 558 | 33 807 | 16 627 |
| TOTAL LIABILITIES | 45 093 | 66 077 | 42 275 |
| TOTAL EQUITY AND LIABILITIES | 96 081 | 101 364 | 93 923 |

Consolidated Cash Flow Statement

| | 30.11.2024 | 30.11.2023 | 31.8.2024 |
|---|---------------|---------------|---------------|
| Cash flow from operating activities | | | |
| EBIT | -141 | -1 148 | 842 |
| Depreciations and amortisations | 951 | 955 | 3 722 |
| Other income and expenses, without cash impact | -304 | 114 | -1 077 |
| Changes in net working capital | -4 886 | -6 431 | -1 369 |
| Financial expenses and income | -404 | -596 | -2 672 |
| Income taxes | -9 | 92 | -358 |
| Net cash flow from operating activities | -4 793 | -7 014 | -912 |
| Cash flow from investing activities | | | |
| Investments of intangible and tangible assets | -176 | -267 | -746 |
| Acquired shares in subsidiaries | 0 | 0 | -5 718 |
| Net cash flow from investing activities | -176 | -267 | -6 464 |
| Cash flow from financing activities | | | |
| Withdrawals of long-term loans | 0 | 0 | 0 |
| Repayment of non-current debt | 0 | 0 | -5 798 |
| Credit limit change | 1 497 | 10 242 | -601 |
| Share issue and buy-back | -182 | 0 | 20 093 |
| Net cash flow from financing activities | 1 314 | 10 242 | 13 694 |
| Unrealized exchange and currency translation differences | -118 | 319 | 585 |
| Cash and cash equivalents at the beginning of the financial period | 9 288 | 2 386 | 2 386 |
| Changes in cash and cash equivalents | -3 775 | 3 280 | 6 902 |
| Cash and cash equivalents at the end of the financial period | 5 513 | 5 666 | 9 288 |

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 approximately 8,500 dealers. The range of products includes over 130,000 items under more than 500 brands. The assortment covers spare parts and accessories for Motorcycling, Bicycling, ATVs/UTVs, Snowmobiling, Marine and Garden/Forest categories. Logistics centres are in Finland, Sweden, Netherlands, France, and the UK. Duell's net sales in 2024 was EUR 125 million and it employs over 200 people. Duell's shares are listed on the Nasdaq First North Growth Market Finland marketplace. www.duell.eu.