



Kite Topco ApS

Kuglegårdsvej 17
1434 Copenhagen
CVR No. 43304828

Annual report 2024

The Annual General Meeting adopted the
annual report on 26.03.2025

Jens Christian Buhl

Chairman of the General Meeting

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Entity details

Entity

Kite Topco ApS
Kuglegårdsvej 17
1434 Copenhagen

Business Registration No.: 43304828
Registered office: Copenhagen
Financial year: 01.01.2024 - 31.12.2024

Board of Directors

Jens Christian Buhl, Chairman
Simon Friberg Andersen
Pierre-Axel, Emmanuel Botuha
Emilie Konge Breindal
Peter Duedahl Sørensen
Louis Constant Hervé Greauume

Executive Board

Jesper Wærum Schreiber, CEO
Emilie Konge Breindal
Tonny Dragheim

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Kite Topco ApS for the financial year 01.01.2024 - 31.12.2024.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 26.03.2025

Executive Board

Jesper Wærum Schreiber
CEO

Emilie Konge Breindal

Tonny Dragheim

Board of Directors

Jens Christian Buhl
Chairman

Simon Friberg Andersen

Pierre-Axel, Emmanuel Botuha

Emilie Konge Breindal

Peter Duedahl Sørensen

Louis Constant Hervé Greaume

Independent auditor's report

To the shareholders of Kite Topco ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Kite Topco ApS for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

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

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in

Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 26.03.2025

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Claus Jorch Andersen

State Authorised Public Accountant
Identification No (MNE) mne33712

Arif Aygar

State Authorised Public Accountant
Identification No (MNE) mne50634

Management commentary

Financial highlights

	2024 DKK'000	2023 DKK'000	2022 DKK'000
Key figures			
Gross profit/loss	135,062	132,965	30,530
Operating profit/loss	(3,896)	2,603	(46,016)
Net financials	(62,727)	(62,063)	(22,953)
Profit/loss for the year	(74,264)	(62,040)	(62,813)
Balance sheet total	1,133,777	1,181,165	1,250,624
Investments in property, plant and equipment	2,869	4,965	6,343
Equity	320,125	416,941	499,116
Cash flows from operating activities	44,776	110,938	6,561
Cash flows from investing activities	(18,653)	(13,037)	(1,044,550)
Cash flows from financing activities	(30,315)	(66,339)	1,082,578
Ratios			
Equity ratio (%)	28.24	35.30	39.91

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Equity ratio (%):

$\frac{\text{Equity}}{\text{Balance sheet total}} * 100$

Balance sheet total

Primary activities

Kite Group designs and produces children clothing, home interior and toys which it sells to partners and directly to consumers through its own DTC channels.

Development in activities and finances

Throughout 2024, Kite Group continued to connect closer with consumers through a broad number of high-profile retail accounts and our own e-com channel across more than 100 countries worldwide.

We continued to invest in the operational platform of the company, revised our management structure, built local teams across key markets as well as implemented a significantly upgraded and scalable system platform covering all process areas including customer fronting applications.

Investment into product and the Konges Sløjd brand universe remained a critical focus area. Our product and qualities are the core components of our brand and throughout the year investments have been made to capture new and grow existing product categories.

Throughout the year we furthermore engaged closer with global brand partners mainly through social media. Something which will continue in the future.

We trust actions taken throughout the year has established a strong platform for growth and reduced the risk and complexity inherent in a scattered customer base.

Product Compliance

Supplier Compliance remains a key topic, targeting extended due diligence measures throughout our supply chain and in line with OECD guidelines.

Better material and certified fibers

Certifications now held include GOTS (Global Organic Textile Standard, OekoTex100 & FSC (Forest Stewardship Council), OCS (Organic Content Standard), RWS (Responsible Wool Standard), RDS (Responsible Down Standard), GRS (Global Recycled Standard) & RCS (Recycled Claim Standard).

Responsible production

Our entire Tier 1 supplier base is enrolled with minimum one of several Internationally recognized frameworks within social compliance. Hence all are subject to independent 3rd party auditing. We recognize different schemes such as Amfori (BSCI), Sedex, ICTI, GOTS & SA8000.

Profit/loss for the year in relation to expected developments

The loss after tax for the year was t.DKK 74,264, which is below original expectations.

Outlook

Based on the strategic and operational initiatives established throughout 2024 management expect to regain growth and increase profit after tax by approximately 5-10% .

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2024

	Notes	2024 DKK	2023 DKK
Gross profit/loss		135,061,666	132,964,734
Staff costs	1	(57,049,188)	(46,790,633)
Depreciation, amortisation and impairment losses	2	(81,908,574)	(83,537,338)
Other operating expenses		0	(33,924)
Operating profit/loss		(3,896,096)	2,602,839
Other financial income	3	2,788,725	1,669,800
Other financial expenses	4	(65,515,791)	(63,732,835)
Profit/loss before tax		(66,623,162)	(59,460,196)
Tax on profit/loss for the year	5	(7,641,149)	(2,579,940)
Profit/loss for the year	6	(74,264,311)	(62,040,136)

Consolidated balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2023 DKK
Completed development projects	8	18,508,119	1,217,224
Acquired intangible assets		687,195,967	729,247,662
Acquired trademarks		770,588	1,111,459
Goodwill		247,844,664	280,172,229
Development projects in progress	8	0	5,676,634
Intangible assets	7	954,319,338	1,017,425,208
Other fixtures and fittings, tools and equipment		2,221,591	3,214,297
Leasehold improvements		4,372,434	4,120,212
Property, plant and equipment	9	6,594,025	7,334,509
Deposits		3,055,230	2,514,766
Financial assets	10	3,055,230	2,514,766
Fixed assets		963,968,593	1,027,274,483
Manufactured goods and goods for resale		53,002,236	49,071,534
Prepayments for goods		3,157,540	4,516,195
Inventories		56,159,776	53,587,729
Trade receivables		35,571,247	23,193,430
Other receivables		3,234,647	417,248
Prepayments	11	2,882,916	540,914
Receivables		41,688,810	24,151,592
Cash		71,959,364	76,151,021
Current assets		169,807,950	153,890,342
Assets		1,133,776,543	1,181,164,825

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital	12	5,291,962	5,543,400
Reserve for fair value adjustments of hedging instruments		2,737,220	(1,610,297)
Retained earnings		272,095,681	413,008,357
Proposed dividend for the financial year		40,000,000	0
Equity		320,124,863	416,941,460
Deferred tax	13	158,742,366	160,275,644
Provisions		158,742,366	160,275,644
Other payables		594,136,889	532,126,369
Non-current liabilities other than provisions	14	594,136,889	532,126,369
Convertible and profit-sharing debt instruments	15	24,109,998	24,109,998
Prepayments received from customers		0	804,339
Trade payables		23,969,203	27,561,629
Tax payable		880,636	7,981,380
Other payables	16	11,812,588	11,364,006
Current liabilities other than provisions		60,772,425	71,821,352
Liabilities other than provisions		654,909,314	603,947,721
Equity and liabilities		1,133,776,543	1,181,164,825
Unrecognised rental and lease commitments	19		
Contingent liabilities	20		
Assets charged and collateral	21		
Non-arm's length related party transactions	22		
Subsidiaries	23		

Consolidated statement of changes in equity for 2024

	Contributed capital DKK	Share premium DKK	Reserve for fair value adjustments of hedging instruments DKK	Retained earnings DKK	Proposed dividend for the financial year DKK
Equity beginning of year	5,543,400	0	(1,610,297)	413,008,357	0
Increase of capital	17,754	1,881,886	0	0	0
Decrease of capital	(269,192)	0	0	(29,730,808)	0
Transferred from share premium	0	(1,881,886)	0	1,881,886	0
Exchange rate adjustments	0	0	0	(90,207)	0
Fair value adjustments of hedging instruments	0	0	4,347,517	0	0
Other entries on equity	0	0	0	1,290,764	0
Profit/loss for the year	0	0	0	(114,264,311)	40,000,000
Equity end of year	5,291,962	0	2,737,220	272,095,681	40,000,000

	Total DKK
Equity beginning of year	416,941,460
Increase of capital	1,899,640
Decrease of capital	(30,000,000)
Transferred from share premium	0
Exchange rate adjustments	(90,207)
Fair value adjustments of hedging instruments	4,347,517
Other entries on equity	1,290,764
Profit/loss for the year	(74,264,311)
Equity end of year	320,124,863

For the purpose of offering incentive pay in the form of warrants, the Company's Board of Directors are authorized for the period until October 31 2027 once or several times to issue up to 2,403,874 shares and to adopt the capital increase related to the exercise of warrants. The authorization empowers the Board of Directors to determine the terms for the granted share options, including the exercise price. Warrants can be issued to the

board of directors, members of the executive management and employees in the company.

Consolidated cash flow statement for 2024

	Notes	2024 DKK	2023 DKK
Operating profit/loss		(3,896,096)	2,602,839
Amortisation, depreciation and impairment losses		81,908,574	83,571,262
Working capital changes	17	(24,057,447)	31,062,499
Other adjustments	18	4,307,469	(132,343)
Cash flow from ordinary operating activities		58,262,500	117,104,257
Financial income received		2,788,457	1,669,800
Taxes refunded/(paid)		(16,275,171)	(7,836,036)
Cash flows from operating activities		44,775,786	110,938,021
Acquisition etc. of intangible assets		(15,193,030)	(6,645,523)
Acquisition etc. of property, plant and equipment		(2,868,854)	(4,964,737)
Sale of property, plant and equipment		0	148,598
Acquisition of fixed asset investments		(2,561,884)	(1,878,777)
Sale of fixed asset investments		1,971,068	303,799
Cash flows from investing activities		(18,652,700)	(13,036,640)
Free cash flows generated from operations and investments before financing		26,123,086	97,901,381
Dividend paid		0	(22,109,774)
Cash capital increase		1,899,640	0
Cash capital decrease		(30,000,000)	0
Received cash payment for warrants		1,290,764	2,376,969
Net change in funding from shareholder		(3,505,147)	(46,606,134)
Cash flows from financing activities		(30,314,743)	(66,338,939)

Increase/decrease in cash and cash equivalents	(4,191,657)	31,562,442
Cash and cash equivalents beginning of year	76,151,021	44,588,579
Cash and cash equivalents end of year	71,959,364	76,151,021
Cash and cash equivalents at year-end are composed of:		
Cash	71,959,364	76,151,021
Cash and cash equivalents end of year	71,959,364	76,151,021

Notes to consolidated financial statements

1 Staff costs

	2024 DKK	2023 DKK
Wages and salaries	53,422,638	44,258,138
Pension costs	3,147,556	2,039,564
Other social security costs	478,994	492,931
	57,049,188	46,790,633
Average number of full-time employees	88	80

Special incentive programmes

The company have a warrants program, which also includes the Executive Board. On the balance sheet date, no warrants have been exercised.

Remuneration of the Executive Board and Board of Directors amounted to DKK 6,181,000 (2023: DKK 5,510 thousand).

2 Depreciation, amortisation and impairment losses

	2024 DKK	2023 DKK
Amortisation of intangible assets	78,298,900	80,756,994
Depreciation on property, plant and equipment	3,609,674	2,780,344
	81,908,574	83,537,338

3 Other financial income

	2024 DKK	2023 DKK
Other interest income	1,416,307	1,669,800
Exchange rate adjustments	1,366,540	0
Other financial income	5,878	0
	2,788,725	1,669,800

4 Other financial expenses

	2024	2023
	DKK	DKK
Other interest expenses	64,258,200	60,447,381
Exchange rate adjustments	124	2,583,821
Other financial expenses	1,257,467	701,633
	65,515,791	63,732,835

5 Tax on profit/loss for the year

	2024	2023
	DKK	DKK
Current tax	9,174,427	12,981,380
Change in deferred tax	(1,533,278)	(10,401,440)
	7,641,149	2,579,940

6 Proposed distribution of profit/loss

	2024	2023
	DKK	DKK
Ordinary dividend for the financial year	40,000,000	0
Extraordinary dividend distributed in the financial year	0	22,109,774
Retained earnings	(114,264,311)	(84,149,910)
	(74,264,311)	(62,040,136)

7 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK	Acquired trademarks DKK	Goodwill DKK	Development projects in progress DKK
Cost beginning of year	2,334,727	797,426,821	1,512,387	323,275,649	5,676,634
Transfers	5,676,634	0	0	0	(5,676,634)
Additions	15,086,865	0	106,165	0	0
Cost end of year	23,098,226	797,426,821	1,618,552	323,275,649	0
Amortisation and impairment losses beginning of year	(1,117,503)	(68,179,159)	(400,928)	(43,103,420)	0
Amortisation for the year	(3,472,604)	(42,051,695)	(447,036)	(32,327,565)	0
Amortisation and impairment losses end of year	(4,590,107)	(110,230,854)	(847,964)	(75,430,985)	0
Carrying amount end of year	18,508,119	687,195,967	770,588	247,844,664	0

8 Development projects

Completed development projects mainly relate to construction and improvement of own IT platform. This covers ERP system, PIM system, PLM system and order platforms for both DtC and BtB customers. Costs which add new functionality are capitalized when sales are expected to increase from these and/or productivity gains results in savings on running costs. Management expects that revenue will increase in the coming years and that the new IT platform will be a prerequisite for achieving the anticipated growth.

With reference to section 83(2) of the Danish Financial Statement Act, deferred tax is set off against the capitalized costs for development projects in the reserve for development costs under equity.

9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	7,371,264	5,448,360
Exchange rate adjustments	353	0
Additions	1,231,281	1,637,573
Disposals	(833,622)	(694,826)
Cost end of year	7,769,276	6,391,107
Depreciation and impairment losses beginning of year	(4,156,985)	(1,328,147)
Depreciation for the year	(2,224,322)	(1,385,352)
Reversal regarding disposals	833,622	694,826
Depreciation and impairment losses end of year	(5,547,685)	(2,018,673)
Carrying amount end of year	2,221,591	4,372,434

10 Financial assets

	Deposits DKK
Cost beginning of year	2,514,766
Exchange rate adjustments	1,827
Additions	2,509,705
Disposals	(1,971,068)
Cost end of year	3,055,230
Carrying amount end of year	3,055,230

11 Prepayments

Prepayments under assets comprise costs related to subsequent financial years such as service agreements.

12 Contributed capital

	Nominal value DKK
Class Aa	99,862
Class Ac	100,428
Class B	871
Class C	2,520,808
Class D	100
Class E	2,280,437
Class F	287,456
Class G	1,000
Class H	1,000
	5,291,962

13 Deferred tax

	2024 DKK	2023 DKK
Changes during the year		
Beginning of year	160,275,644	170,677,084
Recognised in the income statement	(1,533,278)	(10,401,440)
End of year	158,742,366	160,275,644

14 Non-current liabilities other than provisions

	Due after more than 12 months 2024 DKK	Outstanding after 5 years 2024 DKK
Other payables	594,136,889	594,136,889
	594,136,889	594,136,889

Other payables consist of additional funding from the Company's shareholders.

15 Convertible and profit-sharing debt instruments

	Amounts outstanding DKK	Interest rate agreed %	Conversion price
Convertible loan agreement	24,109,998	0.00	10
	24,109,998		

16 Other payables

	2024	2023
	DKK	DKK
VAT and duties	3,218,030	1,419,124
Wages and salaries, personal income taxes, social security costs, etc. payable	479,510	657,065
Holiday pay obligation	1,812,309	1,647,785
Other costs payable	6,302,739	7,640,032
	11,812,588	11,364,006

17 Changes in working capital

	2024	2023
	DKK	DKK
Increase/decrease in inventories	(2,572,047)	23,659,129
Increase/decrease in receivables	(17,537,218)	6,559,091
Increase/decrease in trade payables etc.	(3,948,182)	844,279
	(24,057,447)	31,062,499

18 Other adjustments

Other adjustments in the cash flow statement are composed of write-downs on inventories and fair value adjustment of hedging instruments recognized under other receivables at the balance sheet date.

19 Unrecognised rental and lease commitments

	2024	2023
	DKK	DKK
Total liabilities under rental or lease agreements until maturity	9,455,346	5,900,342

20 Contingent liabilities

There are no contingent liabilities at the balance sheet date.

21 Assets charged and collateral

There are no assets charged or collateral at the balance sheet date.

22 Non-arm's length related party transactions

In the annual report only transactions with related parties which are not processed on market terms are described. No such transactions are processed in the financial year.

23 Subsidiaries

	Registered in	Corporate form	Ownership %
Konges Sløjd A/S	Copenhagen	A/S	100.00
Kite Bidco ApS	Copenhagen	ApS	100.00
Kite Midco ApS	Copenhagen	ApS	100.00
Konges Sloejd INC	USA	INC	100.00

Parent income statement for 2024

	Notes	2024 DKK	2023 DKK
Gross profit/loss		(508,536)	(1,196,761)
Staff costs	1	(625,000)	(645,833)
Operating profit/loss		(1,133,536)	(1,842,594)
Income from investments in group enterprises		30,000,000	65,000,000
Other financial income	2	137,754	30,254
Other financial expenses	3	(65,107,568)	(60,331,059)
Profit/loss before tax		(36,103,350)	2,856,601
Tax on profit/loss for the year	4	5,466,328	5,090,204
Profit/loss for the year	5	(30,637,022)	7,946,805

Parent balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2023 DKK
Investments in group enterprises		1,073,669,792	1,073,669,792
Receivables from group enterprises		8,608,852	8,608,852
Financial assets	6	1,082,278,644	1,082,278,644
Fixed assets		1,082,278,644	1,082,278,644
Other receivables		69,355	0
Joint taxation contribution receivable		14,638,969	18,071,584
Receivables		14,708,324	18,071,584
Cash		6,139,034	5,510,710
Current assets		20,847,358	23,582,294
Assets		1,103,126,002	1,105,860,938

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital		5,291,962	5,543,400
Retained earnings		433,118,065	530,313,245
Proposed dividend for the financial year		40,000,000	0
Equity		478,410,027	535,856,645
Other payables		594,136,889	532,119,400
Non-current liabilities other than provisions	7	594,136,889	532,119,400
Convertible and profit-sharing debt instruments	8	24,109,998	24,109,998
Payables to group enterprises		5,338,114	5,336,340
Tax payable		880,636	7,981,380
Other payables		250,338	457,175
Current liabilities other than provisions		30,579,086	37,884,893
Liabilities other than provisions		624,715,975	570,004,293
Equity and liabilities		1,103,126,002	1,105,860,938
Contingent liabilities	9		
Assets charged and collateral	10		
Non-arm's length related party transactions	11		

Parent statement of changes in equity for 2024

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Proposed dividend for the year DKK	Total DKK
Equity beginning of year	5,543,400	0	530,313,245	0	535,856,645
Increase of capital	17,754	1,881,886	0	0	1,899,640
Decrease of capital	(269,192)	0	(29,730,808)	0	(30,000,000)
Transferred from share premium	0	(1,881,886)	1,881,886	0	0
Other entries on equity	0	0	1,290,764	0	1,290,764
Profit/loss for the year	0	0	(70,637,022)	40,000,000	(30,637,022)
Equity end of year	5,291,962	0	433,118,065	40,000,000	478,410,027

For the purpose of offering incentive pay in the form of warrants, the Company's Board of Directors are authorized for the period until October 31 2027 once or several times to issue up to 2,403,874 shares and to adopt the capital increase related to the exercise of warrants. The authorization empowers the Board of Directors to determine the terms for the granted share options, including the exercise price. Warrants can be issued to the board of directors, members of the executive management and employees in the company.

Notes to parent financial statements

1 Staff costs

	2024 DKK	2023 DKK
Wages and salaries	625,000	645,833
	625,000	645,833
Average number of full-time employees	1	1

Remuneration of the Executive Board and Board of Directors amounted to DKK 625,000 (2023: DKK 645,833).

2 Other financial income

	2024 DKK	2023 DKK
Other interest income	137,754	30,254
	137,754	30,254

3 Other financial expenses

	2024 DKK	2023 DKK
Financial expenses from group enterprises	1,021,945	313,421
Other interest expenses	63,917,128	60,010,069
Exchange rate adjustments	124	0
Other financial expenses	168,371	7,569
	65,107,568	60,331,059

4 Tax on profit/loss for the year

	2024 DKK	2023 DKK
Refund in joint taxation arrangement	(5,466,328)	(5,090,204)
	(5,466,328)	(5,090,204)

5 Proposed distribution of profit and loss

	2024 DKK	2023 DKK
Ordinary dividend for the financial year	40,000,000	0
Extraordinary dividend distributed in the financial year	0	22,109,774
Retained earnings	(70,637,022)	(14,162,969)
	(30,637,022)	7,946,805

6 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	1,073,669,792
Cost end of year	1,073,669,792
Carrying amount end of year	1,073,669,792

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

The Company's investments are recorded at cost and no impairment loss has been identified, as the net realisable value of the investments has not been assessed lower than the carrying amount.

7 Non-current liabilities other than provisions

	Due after more than 12 months 2024 DKK	Outstanding after 5 years 2024 DKK
Other payables	594,136,889	514,999,668
	594,136,889	514,999,668

Other payables consist of additional funding from the Company's shareholders.

8 Convertible and profit-sharing debt instruments

	Amounts outstanding DKK	Interest rate agreed %	Conversion price
Convertible loan agreement	24,109,998	0.00	10
	24,109,998		

9 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

10 Assets charged and collateral

There are no assets charged or collateral at the balance sheet date.

11 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction

date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value, which has been calculated as the discounted value of expected future net cash flows by using an approximate risk-free interest rate adjusted for any factors that a potential market participant would attribute value to when acquiring the instrument. Derivative financial instruments are recognised in other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in the reserve for fair value adjustments of hedging instruments in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods, own work capitalised, other operating income, costs of sales and external expenses.

Revenue

Revenue from the sale of goods is recognised in the income statement when delivery is made and risk has passed to the buyer, and revenue from fees is recognised in the income statement when the service is performed. Revenue is recognised net of VAT, and duties and is measured at fair value of the consideration fixed.

Changes in inventories of finished goods

Changes in inventories of finished goods and work in progress comprise decreases or increases for the financial year in inventories of finished goods and work in progress. This item includes normal writedowns of such inventories.

Own work capitalised

Own work capitalised comprises staff costs incurred in the financial year and recognised in cost for proprietary intangible assets.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds .

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Company's ordinary activities, including expenses for distribution, logistics, premises, marketing costs, IT-costs and corporate costs. This item also includes writedowns of receivables recognized in current assets.

Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of property, plant and equipment.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities, including loss from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividends etc. received from the individual group enterprises in the financial year.

Other financial income

Other financial income comprises, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses, net capital or exchange losses on securities, payables and transactions in foreign currencies,.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights and acquired intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as consultants and amortisation that are directly and indirectly attributable to the development projects..

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. The amortisation period is a straight-line basis over their remaining duration which in the outset are 20 years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Joint taxation contributions payable or receivable

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash.