

AIRE Ancient Baths Copenhagen ApS

c/o AIRE Ancient Baths, Ny Carlsberg Vej 101, 1799 Copenhagen V
CVR-nr. 38 10 35 20

Annual Report 2024/25

1 July - 30 June

The Annual Report has been presented and adopted at the
Company's Annual General Meeting on 2 December 2025

Amadeo Serra Solana

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The BDO logo is displayed in white text on a red triangular background. The letters 'BDO' are in a bold, sans-serif font, with a horizontal line underneath the 'O'.

BDO

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Company Details

Company	AIRE Ancient Baths Copenhagen ApS c/o AIRE Ancient Baths Ny Carlsberg Vej 101 1799 Copenhagen V CVR No.: 38 10 35 20 Established: 11 October 2016 Municipality: Copenhagen Financial Year: 1 July 2024 - 30 June 2025
Executive Board	Amadeo Serra Solana Olly Anna Hrafnadóttir Toledo Francisco de Borja Marti Angulo Armando Prados Fortes Antonio Roman Álvarez Alfredo Alcalde Cuerva
Auditor	BDO Statsautoriseret Revisionspartnerselskab Rabalderstræde 7, 2. sal 4000 Roskilde
Bank	BBVA Bank Apartado de Correos 28080 Madrid Caixa Bank Sorolla 46002 Valencia
Law Firm	360 Law Firm Ny Carlberg Vej 101 1799 Copenhagen V

Management's Statement

Today the Executive Board have discussed and approved the Annual Report of AIRE Ancient Baths Copenhagen ApS for the financial year 1 July 2024 - 30 June 2025.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 30 June 2025 and of the results of the Company's operations for the financial year 1 July 2024 - 30 June 2025.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 2 December 2025

Executive Board

Amadeo Serra Solana

Olly Anna Hrafnadóttir Toledo

Francisco de Borja Marti Angulo

Armando Prados Fortes

Antonio Roman Álvarez

Alfredo Alcalde Cuerva

Independent Auditor's Report

To the Shareholder of AIRE Ancient Baths Copenhagen ApS

Qualified Opinion

We have audited the Financial Statements of AIRE Ancient Baths Copenhagen ApS for the financial year 1 July 2024 - 30 June 2025, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Except for the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph, it is our opinion that the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 30 June 2025 and of the results of the Company's operations for the financial year 1 July 2024 - 30 June 2025 in accordance with the Danish Financial Statements Act.

Basis for Qualified Opinion

The Company has recognized a receivable of DKK 1.6 million in both the opening balance and the balance as at 30 June 2025. The receivable relates to an expected reimbursement from the landlord due to prior years' overcharging of water consumption caused by a water leak at the Company's premises.

We have not been able to obtain sufficient and appropriate audit evidence regarding the recognized receivable, as management has not been able to provide documentation supporting the recognition of the receivable or its valuation. Consequently, we have not been able to determine whether adjustments to the recognized amount are necessary.

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the Financial Statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. In our opinion, the evidence we have obtained is sufficient and appropriate to provide a basis for our qualified conclusion.

Emphasis of matter

We draw attention to the note "Going concern assumptions" in the financial statements, which outlines the assumptions underlying management's preparation of the financial statements on a going concern basis. Our conclusion is not modified in respect of this matter.

We also draw attention to the note "Information on significant uncertainties at recognition and measurement" in the financial statements, which describes the uncertainty related to the recognized deferred tax asset of DKK 2.6 million. Our conclusion is not modified in respect of this matter.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of 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 Financial Statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Independent Auditor's Report

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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 Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Independent Auditor's Report

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

Roskilde, 2 December 2025

BDO Statsautoriseret Revisionspartnerselskab
CVR no. 45 71 93 75

Ferass Hamade
State Authorised Public Accountant
MNE no. mne35441

AIRE Ancient Baths Copenhagen ApS | Independent Auditor's Report

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Financial Highlights

	2024/25 DKK '000	2023/24 DKK '000	2022/23 DKK '000	2021/22 DKK '000	2020/21 DKK '000
Income statement					
Gross profit/loss	25.409	23.423	24.936	24.120	5.647
EBITDA	1.243	-1.333	-258	1.839	-7.912
Operating profit/loss of main activities	-2.600	-5.158	-4.060	-1.857	-11.042
Financial income and expenses, net	-1.010	-2.510	-4.016	0	0
Profit/loss for the year	-5.540	-13.427	-8.158	-4.655	-10.468
Balance sheet					
Total assets	82.799	84.293	92.124	96.411	95.567
Equity	45.812	-3.826	9.601	-30.731	-21.228
Invested capital	66.899	67.432	65.237	67.432	60.741
Investment in property, plant and equipment	-298	-351	-1.121	-450	-4.455
Key ratios					
Return on invested capital	-3,9	-7,8	-516,5	0,0	0,0
Equity ratio	55,3	Neg.	10,4	Neg.	Neg.
Return on equity	-26,4	-464,9	Neg.	Neg.	Neg.

The ratios stated in the list of key figures and ratios have been calculated as follows:

Invested capital: $\text{NWC} + \text{intangible and tangible assets} - \text{provisions} - \text{other operating liabilities, non-current}$

Return on invested capital: $\frac{\text{Operating Profit/Loss} \times 100}{\text{Average invested capital}}$

Equity ratio: $\frac{\text{Equity, at year-end} \times 100}{\text{Total assets, at year-end}}$

Return on equity: $\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

Management Commentary

Principal activities

The Company's principal activities consist in market development, sale and operation of spa's, swimming pools and bathrooms and related business.

Recognition and measurement uncertainty

There have been uncertainties regarding the recognition or measurement of deferred tax assets. Reference is made to the note "Information on significant uncertainties in recognition and measurement" for further details.

Development in activities and financial and economic position

The Company's Income Statement of the financial year 1 July 2024 - 30 June 2025 shows a result of DKK -5.539.749 and the Balance Sheet at 30 June 2025 a balance sheet total of DKK 11.683.874 and an equity of DKK 45.812.158. The company's short-term liabilities exceed the cash and cash equivalents by 7.454.133 DKK.

Management in the parent company has confirmed that the parent company will support the company for the coming fiscal year 2025/26, if a need for cash should appear.

Based on the above, Management considers the annual report to be presented and adopted on a going concern basis.

Profit/loss for the year compared to the expected development

In the past fiscal year, our company achieved a net profit that, while slightly below our initial expectations, underscores our resilience and the strength of our operational margins.

1. Sustainable Growth: in the previous period, we anticipated continued growth driven by our focus on efficient practices. By devoting efforts to position our brand, we aimed to enhance our market position while contributing positively to people's wellness.

In line with the Group's strategic objective to strengthen brand positioning in key markets, the company has engaged the services of Yourkeyz, a local agency specialized in marketing and brand development. This collaboration is aimed at enhancing AIRE's visibility and relevance in the local context.

Management Commentary

Profit/loss for the year compared to the expected development (continued)

For the first time in the Group's history, a company-wide performance evaluation process has been implemented, covering all roles and departments. This initiative has enabled every employee to receive structured feedback from their direct supervisor, fostering a culture of transparency, development, and continuous improvement.

In parallel, the Group has successfully deployed Workday, a new digital platform designed to centralize and streamline access to key employee information. Through this system, employees can now easily consult details related to their contracts, working conditions, performance evaluations, and other relevant HR documentation.

Additionally, the onboarding process has been reviewed and enhanced, ensuring that new employees receive a comprehensive and consistent information package upon joining the company. These improvements aim to strengthen employee engagement from day one and support a smoother integration into the organization. As part of the Group's commitment to enhancing employee experience and fostering a positive work environment, the HR department at HQ has established a dedicated Talent Team. This team is focused on improving corporate communication between HQ and subsidiaries, and has initiated the rollout of employee satisfaction surveys to gather insights and identify areas for improvement.

The overarching goal of this initiative is to strengthen employee engagement and reduce turnover across the organization. While no specific measures have been implemented yet, the recent restructuring of the HR function has temporarily impacted turnover ratios. A full 12-month cycle is required before reliable turnover data can be assessed and used to inform future actions. This initiative reflects the Group's long-term strategy to build a more connected, responsive, and employee-centric culture.

3. Technological Integration: Embracing digital transformation is essential for our success. We will continue to invest in technology that streamlines operations and improves customer experience, by implementing a new CRM and booking management system that increases efficiencies.

During the last fiscal year, the Group has undertaken a strategic digital transformation initiative focused on the development of a new Customer Relationship Management (CRM) and booking management system, built on Salesforce technology. The primary objective of this project is to enhance operational efficiency, particularly in the management of resources such as facilities and labor costs. Furthermore, the new CRM will enable AIRE to place the client at the core of its strategy, providing deeper insights and improving the personalization of services.

Historically, the Group's legacy systems have limited the ability to capture and utilize client data effectively, resulting in transactional management with minimal customer intelligence. The implementation of the new CRM marks a significant step forward in overcoming these limitations.

As part of this broader transformation, the project also includes the deployment of a Business Intelligence (BI) platform. This tool is designed to consolidate and analyze data from currently disconnected systems – such as HR, booking, and finance – thus enabling comprehensive performance analysis across sales and production. The BI platform will eliminate manual processes and fragmented data sources, providing timely and actionable insights to support decision-making.

This initiative falls under the scope of HQ services. Following the successful deployment across all Spanish subsidiaries, the rollout in AIRE Copenhagen is scheduled to go live in January 2026. Although the project has experienced several delays, the implementation in Spain is now underway and no further postponements are anticipated.

4. Operational efficiency: in the previous fiscal year we planned to adjust the business offer to narrow the service hours, focusing on those hour ranges in which the demand shows peaks. This was meant to allow the business to be more efficient in managing variable costs and adapting to seasonality of the demand.

Management Commentary

Profit/loss for the year compared to the expected development (continued)

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

Future expectations

As we look ahead, we remain committed to our strategic vision and the core values that define our company. Our expectations for the coming year are grounded in the benchmark with other successful branches, consumer behavior, and our operational capabilities.

Regarding economic results, management forecasts a increase in gross profit, being efficiency measures the levers that drive the EBITDA to grow up to 100%, after a +135% YoY in FY24-25.

- Concentrating demand and improving variable costs
- Improving technical installations with the aim of reducing repair costs by 46% related to erosion of marble caused by water
- Reducing HR costs by 11% through a more efficient organization of productive hours
- Expansion of the group will lead a different split of HQ costs, reducing the fees charged to AIRE Copenhagen

In summary, we are optimistic about the future and committed to navigating the challenges and opportunities that lie ahead. With our strong foundation and forward-thinking approach, we believe we are well-positioned to achieve our goals and deliver value to our stakeholders. During FY25-26, several projects that have been undertaken will go live, impacting significantly in AIRE Copenhagen's PL:

- Deployment of SALESFORCE
- New management and leadership skills training, lead from HQ
- Outsourcing of laundry, letting the company to avoid fire risks and optimizing space in facilities to increase capacity in 3 massage beds.

In conclusion, this year the Company almost reached its profit expectations although there is room for growth, based on the underlying strength of our margins and our proactive approach to overcoming obstacles provide a solid foundation for future performance.

Quantitative disclosure: Outlook and Strategic Expectations for FY25-26

In line with the Group's strategic planning, the company expects to achieve total gross profit between DKK 26 million and DKK 27 million in the fiscal year 2025-2026. This projection is based on the following operational assumptions:

Management Commentary

Future expectations (continued)

- A 4% increase in client volume, despite a deliberate reduction in capacity during low-demand shifts, aimed at improving resource efficiency.
- A 2-3% increase in average ticket value, driven by pricing adjustments and an optimized service mix and a price strategy that is being revised at a group level oriented to an active management of prices depending on demand (revenue management system) to be implemented in the mid-term, having in FY25-26 first initiatives in place (such as rounding prices).

Additionally, the company anticipates generating positive cash flow between DKK 0.8 million and DKK 1.2 million, in accordance with the approved budget for the upcoming fiscal year.

These expectations reflect management's confidence in the company's ability to maintain growth while optimizing operational efficiency.

As key risks and uncertainty, the company points out at the construction works of Carlsberg Byen city, which will have a positive impact on the demand once it is fully finished, but that has suffered several delays and therefore affected demand.

All the expectations for next FY are based on the business case prepared by the management and implemented during the fiscal year (i.e. May 2025) that will have an impact on the whole period. These changes have affected positively the EBITDA bolstering it up to a +95% YoY, so the company shows optimism for FY25-26.

Income Statement 1 July - 30 June

	Note	2024/25 DKK	2023/24 DKK
Gross profit		25.408.960	23.422.590
Staff costs	3	-21.656.356	-23.177.107
Depreciation, amortisation and impairment losses for tangible and intangible assets		-3.843.592	-3.824.232
Other operating expenses		-2.509.235	-1.578.946
Operating loss		-2.600.223	-5.157.695
Other financial income	4	224.941	51.506
Other financial expenses	5	-1.234.815	-2.561.123
Loss before tax		-3.610.097	-7.667.312
Tax on profit/loss for the year	6	-1.929.652	-5.759.647
Loss for the year	7	-5.539.749	-13.426.959

Balance Sheet at 30 June

Assets	Note	2025 DKK	2024 DKK
Production plant and machinery		4.373.690	4.765.493
Other plant, fixtures and equipment		2.193.973	2.189.703
Leasehold improvements		60.297.799	63.455.546
Property, plant and equipment	8	66.865.462	70.410.742
Rent deposit and other receivables		2.613.195	2.590.335
Financial non-current assets	9	2.613.195	2.590.335
Non-current assets		69.478.657	73.001.077
Expenses for raw materials and consumables		474.778	448.808
Inventories		474.778	448.808
Trade receivables		590.573	523.317
Receivables from group enterprises		36.886	70.695
Deferred tax assets	10	659.705	2.589.357
Other receivables		1.636.234	0
Prepayments	11	1.469.059	1.714.213
Receivables		4.392.457	4.897.582
Cash and cash equivalents		8.452.873	5.945.501
Current assets		13.320.108	11.291.891
Assets		82.798.765	84.292.968

Balance Sheet at 30 June

Equity and liabilities

	Note	2025 DKK	2024 DKK
Share capital		52.000	51.000
Share Premium		55.176.909	0
Retained earnings		-9.416.751	-3.877.002
Equity		45.812.158	-3.826.002
Payables to group enterprises		19.443.367	73.673.966
Non-current liabilities	12	19.443.367	73.673.966
Prepayments from customers		6.194.950	6.956.003
Trade payables		6.565.368	2.152.887
Debt to Group companies		3.008.414	2.834.257
Other liabilities		1.774.508	2.501.857
Current liabilities		17.543.240	14.445.004
Liabilities		36.986.607	88.118.970
Equity and liabilities		82.798.765	84.292.968

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Equity

DKK	Share capital	Share Premium	Retained earnings	Total
Equity at 1 July 2024	51.000	0	-3.877.002	-3.826.002
Proposed profit allocation, see note 7			-5.539.749	-5.539.749
Transactions with owners				
Capital increase	1.000	55.176.909		55.177.909
Equity at 30 June 2025	52.000	55.176.909	-9.416.751	45.812.158

During the financial year, 1.000 new shares were issued with a nominal value of DKK 55.177.909.

Notes

1 | Going concern assumptions

The Company has recorded a loss of 5.198k DKK for the financial year ended 30 June 2025 and the Company's short-term liabilities exceed the cash and cash equivalents by 3.882k DKK.

Management in the parent company has confirmed that the parent company will support the company for the coming fiscal year 2025/26, if the need for cash should appear. The company has received a letter of support from the parent company covering the period until 30 June 2026.

Management in the parent company has confirmed that the debt to the parent company will only be repaid, if the company has the cash for the payments.

Based on the above, Management considers the annual report to be presented and adopted on a going concern basis.

2 | Information on significant uncertainties at recognition and measurement

The company has recognized a deferred tax asset, primarily related to a tax loss carryforward. The management considers that all conditions for recognizing the tax asset have been met, as the company's budgets for the coming years show positive results. However, budgeting is subject to management judgment, and therefore there may be uncertainty associated with the measurement and recognition of the tax asset.

Management believes that the recognized amount appropriately reflects the value of the tax asset to the company.

	2024/25 DKK	2023/24 DKK
3 Staff costs		
Average number of full time employees	55	59
Wages and salaries	18.981.894	20.650.278
Pensions	1.896.228	2.078.562
Social security costs	758.567	448.267
Other staff costs	19.667	0
	21.656.356	23.177.107

Information on management remuneration has been omitted in accordance with the exemption provision in section 98b(3)(2) of the Danish Financial Statements Act.

4 | Other financial income

Other interest income	224.941	51.506
	224.941	51.506

Notes

	2024/25 DKK	2023/24 DKK
5 Other financial expenses		
Interest expenses to group enterprises	912.166	2.260.278
Other interest expenses	322.649	300.845
	1.234.815	2.561.123

6 Tax on profit/loss for the year		
Adjustment of deferred tax	1.929.652	5.759.647
	1.929.652	5.759.647

7 Proposed distribution of profit		
Retained earnings	-5.539.749	-13.426.959
	-5.539.749	-13.426.959

8 | Property, plant and equipment

DKK	Production plant and machinery	Other plant, fixtures and equipment	Leasehold improvements
Cost at 1 July 2024	6.158.819	2.960.703	75.651.157
Additions	82.035	216.048	229
Cost at 30 June 2025	6.240.854	3.176.751	75.651.386
Depreciation and impairment losses at 1 July 2024	1.393.326	771.000	12.195.611
Depreciation for the year	473.838	211.778	3.157.976
Depreciation and impairment losses at 30 June 2025	1.867.164	982.778	15.353.587
Carrying amount at 30 June 2025	4.373.690	2.193.973	60.297.799

9 | Financial non-current assets

DKK	Rent deposit and other receivables
Cost at 1 July 2024	2.590.335
Additions	22.860
Cost at 30 June 2025	2.613.195
Carrying amount at 30 June 2025	2.613.195

Notes

10 | Deferred tax assets

The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets.

Deferred tax assets, beginning of year	2.589.357	8.349.004
Deferred tax of the year, income statement	-1.929.652	-5.759.647
Deferred tax assets 30 June 2025	659.705	2.589.357

The company's deferred tax asset is included on the basis of an assessment by the management about the use of the accumulated loss carry forward in the coming years. In this connection, a tax asset of DKK 2.4 million has been included, which is expected to be utilized within the next 4 years, while the company has an unrecognized tax asset relating to loss carry forwards of DKK 10.7 million, as a result of this is only expected to be used in +5 years.

11 | Prepayments

Accruals are made up of prepaid costs relating to rent, insurance premiums, etc.

Costs	1.469.059	1.714.213
	1.469.059	1.714.213

12 | Long-term liabilities

DKK	30/6 2025 total liabilities	Repayment next year	Debt outstanding after 5 years	30/6 2024 total liabilities
Payables to group enterprises	19.443.367	0	0	73.673.966
	19.443.367	0	0	73.673.966

13 | Contractual obligations and contingencies, etc.

2025
DKK

Lease commitment

As of the balance sheet date, the company has lease commitments, including the rental of all premises in Carlsberg City used for a spa area forming part of its primary operations.

The total lease commitment as of the balance sheet date amount to: 14.014.200

14 | Charges and securities

No securities or mortgages exist at the balance sheet date.

Notes

15 | Related parties

The Company's related parties include: Aire Ancient Baths Group Sociedad Limitada, Callejon de Arenas 4, 18005 Granada, Spain.

Controlling interest

The Company Aire Ancient Baths Group Sociedad Limitada, Callejon de Arenas 4, 18005 Granada, Spain, that has a decisive influence in the company.

Transactions with related parties

The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

16 | Consolidated Financial Statements

AIRE Ancient Baths Copenhagen ApS is included in the consolidated financial statements of Aire Ancient Baths Group Sociedad Limitada, a company registered in Spain. The consolidated accounts for Aire Ancient Baths Group Sociedad Limitada can be requested by contacting the company.

Accounting Policies

The Annual Report of AIRE Ancient Baths Copenhagen ApS for 2024/25 has been presented in accordance with the provisions of the Danish medium-size Financial Statements Act for enterprises in reporting class C .

The Annual Report is prepared consistently with the accounting principles applied last year.

Income Statement

Net revenue

Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Sale of services is generally recognised on the basis of a measurable degree of completion, using straight-line recognition of services delivered over time in a regular pattern. Where the degree of completion is not measurable or the sales value or the total costs of completion are uncertain, revenue is recognised by the amount that the enterprise as a maximum believes to have a right to claim and is expected to be received for services delivered at the Balance Sheet date.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees.

Other operating expenses

Other operating expenses include items of a secondary nature in relation to the Group's and the Company's activities. Losses from sale of intangible and tangible fixed assets are also included.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

Accounting Policies

Balance Sheet

Property, plant and equipment

Production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life
5-10 years	0 %
3-10 years	0 %
5 years	0 %

Profit or loss on sale of property, plant and equipment is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Financial non-current assets

Deposits include rental deposits which are recognised and measured at cost. Deposits are not depreciated.

Impairment of fixed assets

The carrying amount of property, plant and equipment together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

Accounting Policies

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct and other indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, the cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

Accounting Policies

Cash Flow Statement

With reference to Section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.