

HK Koncept og Produkt ApS

Amaliegade 42, st.
1256 København K
CVR No. 35399852

Annual report 2024

The Annual General Meeting adopted the
annual report on 04.07.2025

Lars Skjøth

Chairman of the General Meeting

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Entity details

Entity

HK Koncept og Produkt ApS
Amaliegade 42, st.
1256 København K

Business Registration No.: 35399852
Registered office: København
Financial year: 01.01.2024 - 31.12.2024

Board of Directors

Lars Skjøth
Mette Marie Louise Stougaard

Executive Board

Kasper Markussen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of HK Koncept og Produkt 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 financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations 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, 04.07.2025

Executive Board

Kasper Markussen

Board of Directors

Lars Skjøth

Mette Marie Louise Stougaard

Independent auditor's report

To the shareholder of HK Koncept og Produkt ApS

Opinion

We have audited the financial statements of HK Koncept og Produkt 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. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations 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 financial statements" section of this auditor's report. We are independent of the Entity 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 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 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 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 financial statements

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 judgement and maintain professional scepticism 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 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 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 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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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 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 the management commentary.

Copenhagen, 04.07.2025

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Nikolaj Erik Johnsen

State Authorised Public Accountant

Identification No (MNE) mne35806

Management commentary

Primary activities

The principal activities are investment and financing activities, to hold and develop recipes, concepts, trademarks, and intangible rights, as well as production, licensing and sales of products, HK Concepts, trademarks and rights and other activities related thereto.

Development in activities and finances

The gross profit for the year totals kDKK (19.667) (2023: kDKK 34.148). Loss for the year amounts to kDKK 36.655 (2023: kDKK 62.809). Management considers the result for the year as expected.

The management's purpose at the foundation of the company in 2013 was to place the acquired IP rights in a group structure that is attractive to investors. The treatment solutions as well as the excellent hair care product line, acquired by HK Koncept og Produkt ApS is unique and leading globally in a very large and growing market. Leading doctors in the field of hair disorders as well as competing enterprises in the cosmetics and pharmaceutical industries have shown immense interest in the company. Thus, the management has great expectations to its potential like with previous years.

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.

Income statement for 2024

	Notes	2024 DKK	2023 DKK
Gross profit/loss		(43,690,051)	(34,148,012)
Staff costs	1	(9,365,544)	(13,560,841)
Depreciation, amortisation and impairment losses	2	(11,049,306)	(14,881,151)
Operating profit/loss		(64,104,901)	(62,590,004)
Other financial income	3	3,856,919	1,442,784
Other financial expenses	4	(544,340)	(1,661,691)
Profit/loss for the year		(60,792,322)	(62,808,911)
Proposed distribution of profit and loss			
Retained earnings		(60,792,322)	(62,808,911)
Proposed distribution of profit and loss		(60,792,322)	(62,808,911)

Balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2023 DKK
Completed development projects	6	5,097,610	1,329,552
Acquired intangible assets		30,339,783	40,453,046
Development projects in progress	6	0	3,868,957
Intangible assets	5	35,437,393	45,651,555
Other fixtures and fittings, tools and equipment		103,445	149,145
Property, plant and equipment	7	103,445	149,145
Receivables from group enterprises		0	23,886,622
Deposits		134,607	118,500
Financial assets		134,607	24,005,122
Fixed assets		35,675,445	69,805,822
Raw materials and consumables		1,670,744	1,608,199
Manufactured goods and goods for resale		4,967,351	7,954,770
Prepayments for goods		223,973	930,621
Inventories		6,862,068	10,493,590
Trade receivables		79,747	85,135
Receivables from group enterprises		1	16,786,291
Other receivables		440,997	149,058
Receivables from owners and management		0	55,733
Prepayments		627,480	1,137,017
Receivables		1,148,225	18,213,234
Cash		1,678,163	4,215,674
Current assets		9,688,456	32,922,498
Assets		45,363,901	102,728,320

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital		80,000	80,000
Reserve for development expenditure		4,054,837	4,054,837
Retained earnings		28,226,382	93,477,610
Equity		32,361,219	97,612,447
Holiday pay obligation		58,193	0
Non-current liabilities other than provisions		58,193	0
Bank loans		144,682	344,800
Trade payables		1,227,747	4,204,564
Payables to group enterprises		10,172,326	0
Payables to owners and management		18,776	124,170
Other payables		1,380,958	415,386
Deferred income		0	26,953
Current liabilities other than provisions		12,944,489	5,115,873
Liabilities other than provisions		13,002,682	5,115,873
Equity and liabilities		45,363,901	102,728,320
Contingent assets	8		
Contingent liabilities	9		

Statement of changes in equity for 2024

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	80,000	4,054,837	84,702,610	88,837,447
Corrections of material errors	0	0	8,775,200	8,775,200
Adjusted equity beginning of year	80,000	4,054,837	93,477,810	97,612,647
Group contributions etc.	0	0	(4,459,106)	(4,459,106)
Profit/loss for the year	0	0	(60,792,322)	(60,792,322)
Equity end of year	80,000	4,054,837	28,226,382	32,361,219

Notes

1 Staff costs

	2024	2023
	DKK	DKK
Wages and salaries	8,462,170	12,613,542
Pension costs	859,022	902,709
Other social security costs	44,352	44,590
	9,365,544	13,560,841
Average number of full-time employees	12	13

2 Depreciation, amortisation and impairment losses

	2024	2023
	DKK	DKK
Amortisation of intangible assets	11,003,606	10,686,252
Impairment losses on intangible assets	0	4,160,904
Depreciation of property, plant and equipment	45,700	33,995
	11,049,306	14,881,151

3 Other financial income

	2024	2023
	DKK	DKK
Financial income from group enterprises	1,531,573	1,390,084
Other interest income	3,050	52,700
Exchange rate adjustments	2,322,296	0
	3,856,919	1,442,784

4 Other financial expenses

	2024	2023
	DKK	DKK
Financial expenses from group enterprises	478,513	0
Other interest expenses	0	1,031
Exchange rate adjustments	0	1,581,392
Other financial expenses	65,827	79,268
	544,340	1,661,691

5 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK	Development projects in progress DKK
Cost beginning of year	6,063,444	180,661,257	3,868,957
Transfers	0	0	(4,658,401)
Additions	4,658,401	0	789,444
Cost end of year	10,721,845	180,661,257	0
Amortisation and impairment losses beginning of year	(4,733,892)	(140,208,211)	0
Amortisation for the year	(890,343)	(10,113,263)	0
Amortisation and impairment losses end of year	(5,624,235)	(150,321,474)	0
Carrying amount end of year	5,097,610	30,339,783	0

6 Development projects

Entity has capitalized development costs. The Entity's development projects consists of software products developed using external consultants. The development cost is expected to add significant value til customer handling proces and efficiencies in the organizations.

Costs are capitalized as incurred if this relates to the development projects. The Entity possess the resources and skills to complete the development.

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	312,332
Cost end of year	312,332
Depreciation and impairment losses beginning of year	(163,187)
Impairment losses for the year	(45,700)
Depreciation and impairment losses end of year	(208,887)
Carrying amount end of year	103,445

8 Contingent assets

The company has not recognised deferred tax assets of 6.364 tDKK. The tax asset is not recognised in the balance sheet, as uncertainty exists about the measurement of the net realizable value of the asset as a result of uncertainty about the time-scale for the carryforward of tax losses.

9 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where EMKL Holding ApS serves as the administration company. 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.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

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

Material errors in previous years

Other external expenses was incorrect in the prior financial year. The error is corrected retrospectively and the comparative figures for 2023 have been adjusted accordingly.

The adjustment has affected other external expenses, and hereby the gross profit/loss by 8.775.200 DKK as well as receivables from group enterprises. Tax receivable has not been adjusted due to previous write down of the underlying tax receivable. Equity has positively been affected by 8.775.200 DKK in 2024.

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.

Income statement

Gross profit or loss

Gross profit comprises the revenue, changes in inventories of finished goods and external costs.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, 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 Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

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

Depreciation, amortisation and impairment losses

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

Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Balance sheet**Intellectual property rights etc.**

Intellectual property rights etc. comprise of 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 salaries 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 5-7 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. The amortisation periods used are 10 years.

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

Plant and equipment

Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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

Estimated useful lives and residual values are reassessed annually.

Items of plant and equipment 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. Cost of manufactured goods consists of costs of raw materials, consumables, direct labour costs.

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

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.