

Ecooking A/S

Gl. Skartved 11
6091 Bjert
CVR No. 38271725

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Entity details

Entity

Ecooking A/S
Gl. Skartved 11
6091 Bjert

Business Registration No.: 38271725
Registered office: Kolding
Financial year: 01.01.2025- 31.12.2025

Board of Directors

Morten Bo Madsen
Sebastian Bjeldskov Pedersen
Jan Kruse Hansen

Executive Board

Hanne Frøling Kriegbaum

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Egtved Allé 4
6000 Kolding

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Ecooking A/S for the financial year 01.01.2025 - 31.12.2025.

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 Entity's financial position at 31.12.2025 and of the results of its operations for the financial year 01.01.2025 - 31.12.2025.

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.

Bjert, 30.04.2026

Executive Board

Hanne Frøling Kriegbaum

Board of Directors

Morten Bo Madsen

Sebastian Bjeldskov Pedersen

Jan Kruse Hansen

Independent auditor's report

To the shareholders of Ecooking A/S

Opinion

We have audited the financial statements of Ecooking A/S for the financial year 01.01.2025 - 31.12.2025, 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 31.12.2025 and of the results of its operations for the financial year 01.01.2025 - 31.12.2025 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 in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Kolding, 30.04.2026

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Lars Ørum Nielsen

State Authorised Public Accountant
Identification No (MNE) mne26771

Management commentary

Financial highlights

	2025 DKK'000	2024 DKK'000	2023 DKK'000	2022 DKK'000	2021 DKK'000
Key figures					
Gross profit/loss	14,160	9,542	24,680	(2,433)	12,836
Operating profit/loss	(17,486)	(38,207)	(23,680)	(50,396)	(25,777)
Net financials	(3,197)	(5,310)	(4,205)	(2,924)	(2,762)
Profit/loss for the year	(18,204)	(51,217)	(38,177)	(41,694)	(22,315)
Total assets	56,921	71,383	85,633	106,870	129,437
Investments in property, plant and equipment	1,818	1,076	10,182	1,758	7,681
Equity	(2,737)	(24,533)	(10,619)	12,558	11,777
Ratios					
Equity ratio (%)	(4.81)	(34.37)	(12.40)	11.75	9.10

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

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets

Primary activities

Ecooking is a Danish skincare brand dedicated to creating highly effective products using as many natural and ecological ingredients as possible. Our ambition is to become the leading Danish skincare brand internationally by consistently delivering visible results without compromising on ingredient integrity. This balance defines "The Recipe for Natural Beauty."

Development in activities and finances

The organization has been strengthened during 2025 to support future national and international growth. The focus on national and international growth will be maintained in the coming years.

During the year, our primary focus has been strengthening our core product portfolio, supporting international expansion, and maintaining a strong commitment to our values of Transparency, Honesty, and Decency in everything we do.

A primary focus area has been to strengthen our own web-shop; www.ecooking.dk and www.ecooking.com and the supporting organization.

The focus in the coming period is to continue the growth journey as well as supporting the international brand-building of Ecooking.

Profit/loss for the year in relation to expected developments

The net result for 2025 is a loss of tDKK 18,204 (2024: tDKK -51,217), which is not in line with expectations.

The equity of Ecooking A/S is tDKK -2,737 (2024: tDKK -24,533).

Management assesses the result as below expectations but considers the year part of a continued transition period with ongoing initiatives to strengthen profitability.

In 2025, the company received a group contribution of DKK 40 million. Please also refer to page 11 Statement of changes in equity. The transactions have been carried out to strengthen the capital base.

In 2025 revenue and margins have increased slightly compared to 2024 which have increased the gross profit. Staff costs have decreased from tDKK 38.825 in 2024 to tDKK 26.807 due to reduction of employees and net financial expenses has been reduced significantly reduced due to the capital increases in 2025.

Outlook

Management expects 2026 to be another transition year with continued focus on increasing revenue through Online and Nordic expansion, strengthening the company's cost base, and improving operational efficiency.

Based on the development in 2025, a gradual improvement in the overall financial performance is anticipated. 2026 is therefore viewed as a consolidation year supporting progress toward a more sustainable earnings level in the coming years.

We expect a gross profit for 2026 in the range of 20-30 mDKK. The net loss for 2026 is expected at 5-10 mDKK.

Research and development activities

The Company develops and maintains most products internally, and thus owns IP rights to these formulas. There is an internal laboratory with experienced employees who develop and test all formulas before manufacturing

takes place. Most of the production takes place with skilled external suppliers. The Company has a variety of sourcing alternatives, which reduces the dependency on single suppliers.

Events after the balance sheet date

Australian Bodycare has in April 2026 been acquired by the capital fund Bluegem, which already holds a stake in ECOOKING. As part of the transaction, the two companies are being consolidated, which provides a stronger foundation for the continued development of both brands.

No other events have occurred after the balance sheet date that materially affect the assessment of the company's financial position as of 31 December 2025.

Income statement for 2025

	Notes	2025 DKK	2024 DKK
Gross profit/loss		14,160,487	9,541,662
Staff costs	2	(26,806,654)	(38,821,819)
Depreciation, amortisation and impairment losses	3	(4,839,862)	(8,016,892)
Other operating expenses		0	(909,590)
Operating profit/loss		(17,486,029)	(38,206,639)
Income from investments in group enterprises		(68,125)	0
Other financial income	4	5,153	33,289
Other financial expenses	5	(3,202,195)	(5,343,674)
Profit/loss before tax		(20,751,196)	(43,517,024)
Tax on profit/loss for the year	6	2,547,375	(7,700,000)
Profit/loss for the year	7	(18,203,821)	(51,217,024)

Balance sheet at 31.12.2025

Assets

	Notes	2025 DKK	2024 DKK
Completed development projects		501,479	937,691
Acquired intangible assets		188,236	536,024
Acquired rights		126,295	453,643
Goodwill		0	477,098
Intangible assets	8	816,010	2,404,456
Buildings		1,670,434	2,227,245
Other fixtures and fittings, tools and equipment		4,073,440	5,113,223
Leasehold improvements		378,783	463,245
Property, plant and equipment	9	6,122,657	7,803,713
Investments in group enterprises		0	35,845
Deposits		379,828	1,033,387
Financial assets	10	379,828	1,069,232
Fixed assets		7,318,495	11,277,401
Manufactured goods and goods for resale		21,196,242	29,035,986
Inventories		21,196,242	29,035,986

Trade receivables		23,594,729	25,852,648
Receivables from group enterprises		0	32,220
Other receivables		1,276,845	919,388
Joint taxation contribution receivable		2,547,375	0
Receivables from owners and management	11	6,056	0
Prepayments	12	170,680	614,716
Receivables		27,595,685	27,418,972
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Cash		810,931	3,650,446
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Current assets		49,602,858	60,105,404
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Assets		56,921,353	71,382,805
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Ecooking A/S | Balance sheet at 31.12.2025

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Equity and liabilities

	Notes	2025 DKK	2024 DKK
Contributed capital	13	400,000	400,000
Retained earnings		(3,136,599)	(24,932,778)
Equity		(2,736,599)	(24,532,778)
<hr/>			
Lease liabilities		1,438,885	2,150,642
Other payables	14	941,694	908,095
Non-current liabilities other than provisions	15	2,380,579	3,058,737
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Current portion of non-current liabilities other than provisions	15	1,159,278	1,699,557
Bank loans		34,312,952	69,130,538
Trade payables		20,005,049	19,108,825
Payables to group enterprises		23,038	637,004
Payables to shareholders and management		540,604	542,713
Other payables	16	1,229,852	1,738,209
Deferred income	17	6,600	0
Current liabilities other than provisions		57,277,373	92,856,846
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Liabilities other than provisions		59,657,952	95,915,583
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Equity and liabilities		56,921,353	71,382,805
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Events after the balance sheet date

1

Other unrecognised commitments	18
Contingent liabilities	19
Assets charged and collateral	20
Transactions with related parties	21
Group relations	22

Statement of changes in equity for 2025

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	400,000	(24,932,778)	(24,532,778)
Group contributions etc	0	40,000,000	40,000,000
Profit/loss for the year	0	(18,203,821)	(18,203,821)
Equity end of year	400,000	(3,136,599)	(2,736,599)

Notes

1 Events after the balance sheet date

Australian Bodycare has in April 2026 been acquired by the capital fund Bluegem, which already holds a stake in ECOOKING. As part of the transaction, the two companies are being consolidated, which provides a stronger foundation for the continued development of both brands.

No other events have occurred after the balance sheet date that materially affect the assessment of the company's financial position as of 31 December 2025.

2 Staff costs

	2025 DKK	2024 DKK
Wages and salaries	24,712,334	35,907,939
Pension costs	1,809,047	2,543,688
Other social security costs	285,273	370,192
	26,806,654	38,821,819
Average number of full-time employees	43	62

Remuneration of Management 2025	Remuneration of Management 2024
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	DKK	DKK
Executive Board	2,107,810	5,133,063
	2,107,810	5,133,063

3 Depreciation, amortisation and impairment losses

	2025 DKK	2024 DKK
Amortisation of intangible assets	1,588,444	2,016,215
Depreciation of property, plant and equipment	3,251,418	6,000,677
	4,839,862	8,016,892

4 Other financial income

	2025 DKK	2024 DKK
Other interest income	5,153	33,281
Other financial income	0	8
	5,153	33,289

5 Other financial expenses

	2025 DKK	2024 DKK
Financial expenses from group enterprises	9,184	650,391
Other interest expenses	3,048,737	4,543,253
Exchange rate adjustments	144,274	150,030
	3,202,195	5,343,674

6 Tax on profit/loss for the year

	2025 DKK	2024 DKK
Change in deferred tax	0	7,700,000
Refund in joint taxation arrangement	(2,547,375)	0
	(2,547,375)	7,700,000

7 Proposed distribution of profit and loss

	2025 DKK	2024 DKK
Retained earnings	(18,203,821)	(51,217,024)
	(18,203,821)	(51,217,024)

8 Intangible assets

Completed Acquired

	development projects DKK	intangible assets DKK	Acquired rights DKK	Goodwill DKK
Cost beginning of year	1,308,642	1,043,363	2,410,573	2,022,491
Disposals	0	0	(558,044)	(2,022,491)
Cost end of year	1,308,642	1,043,363	1,852,529	0
Amortisation and impairment losses beginning of year	(370,951)	(507,339)	(1,956,930)	(1,545,393)
Amortisation for the year	(436,212)	(347,788)	(327,348)	(477,096)
Reversal regarding disposals	0	0	558,044	2,022,489
Amortisation and impairment losses end of year	(807,163)	(855,127)	(1,726,234)	0
Carrying amount end of year	501,479	188,236	126,295	0

9 Property, plant and equipment

	Buildings DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	2,784,056	14,540,836	688,597
Additions	0	1,801,153	17,215
Disposals	0	(3,248,647)	(85,820)
Cost end of year	2,784,056	13,093,342	619,992
Depreciation and impairment losses beginning of year	(556,811)	(9,428,479)	(225,352)
Depreciation for the year	(556,811)	(2,592,930)	(101,677)
Reversal regarding disposals	0	3,001,507	85,820
Depreciation and impairment losses end of year	(1,113,622)	(9,019,902)	(241,209)
Carrying amount end of year	1,670,434	4,073,440	378,783
Recognised assets not owned by entity	1,670,434	968,902	0

10 Financial assets

Investments in group enterprises DKK	Deposits DKK
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Cost beginning of year	35,845	1,033,387
Disposals	(35,845)	(653,559)
Cost end of year	0	379,828
Carrying amount end of year	0	379,828

11 Receivables from owners and management

	Board of DirectorsDKK
Receivables	6,056

12 Prepayments

Prepayments relate to various prepaid items including insurance costs

13 Contributed capital

	Number	Par value DKK	Nominal value DKK	Recorded par value DKK
Shares	400,000	1.00	400,000	400,000
	400,000		400,000	400,000

14 Other payables

	2025 DKK	2024 DKK
Holiday pay obligation	941,694	908,095
	941,694	908,095

15 Non-current liabilities other than provisions

	Due within 12 months 2025 DKK	Due within 12 months 2024 DKK	Due after more than 12 months 2025 DKK
Lease liabilities	1,159,278	1,699,557	1,438,885
Other payables	0	0	941,694
	1,159,278	1,699,557	2,380,579

16 Other payables

	2025 DKK	2024 DKK
VAT and duties	1	11,759
Wages and salaries, personal income taxes, social security costs, etc payable	426,620	784,910

Holiday pay obligation	761,687	816,448
Other costs payable	41,544	125,092
	1,229,852	1,738,209

17 Deferred income

Deferred income relate to various deferred items.

18 Other unrecognised commitments

	2025	2024
	DKK	DKK
Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	596,458	1,017,483

Besides the above rental or lease commitments, the company has, as of the balance sheet date, entered into the following unrecognised commitments to be settled after the balance sheet date:

	2025
	DKK
Other unrecognised commitments	
Purchased goods	446,955

19 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Terzo D Holdco 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, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total

known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

20 Assets charged and collateral

Bank loans are secured by the way of mortgage deed of DKK 103,000k nominal total. The carrying amount of mortgaged assets is DKK 49.090

21 Transactions with related parties

The annual report discloses only transactions with related parties that have not been conducted on arms length terms. No such transactions have been carried out during the financial year.

22 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest and largest group: Terzo D Holdco ApS, 6091 Bjert, Business Registration No. 42 15 66 47.

Accounting policies

Basis for financial statements

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

Changes in accounting policies

Changes have been made in the classification of the company's fixed assets. The reclassifications have no impact on the income statement, total assets or equity. The comparative figures have also been adjusted.

Apart from the aboved mentioned, the annual report has been presented applying the accounting policies consistent with 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.

Business combinations

The uniting-of-interests method is applied on mergers of assets and exchanges of shares, etc where the enterprises concerned are controlled by the Parent. Under the uniting-of-interests method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity. The comparative figures are restated.

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.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of raw materials and consumables and external expenses.

Revenue

The Company applies IFRS 15 on recognition of revenue from contracts with customers because the Company has elected to apply IFRS 16 Leases.

Net revenue is recognised from the sale of goods.

Revenue is recognised at the amount of consideration to which the entity expects to be entitled for the transfer

of goods or services to the customer (the transaction price). Net revenue is stated exclusive sales discounts and of amounts collected on behalf of third parties, such as VAT and duties. Revenue is recognised when control of a good or service is transferred to the customer.

Sales of goods comprise the ordinary sale of manufactured standard products across all of the Company's segments.

Sales to business customers are recognised as revenue on transfer of control of the goods, which as a general rule occurs when the goods have been dispatched to the customer (delivery).

Sales to private customers are recognised as revenue when control of the goods has passed to the customer, which as a general rule is the time the customer receives the goods, since the delivery obligation is only satisfied upon delivery to the customer.

The Company's terms and conditions grant customers a right of return on purchases of goods. At the point of sale a liability to accept returns is recognised and measured at the goods' sales price, and revenue is reduced accordingly. Simultaneously, a right to recover goods expected to be returned is recognised as inventory measured at the goods' cost, with a corresponding reduction in cost of sales. Expected amounts are estimated on the basis of historical experience of return rates.

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 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 equipment and intangible assets comprise depreciation for the financial year, and gains and losses from the sale of 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 transactions in foreign currencies 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 transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

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.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

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. Useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods

used are 5 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 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.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

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.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

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

Property, plant and equipment

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	3-10 years

For leasehold improvements and assets subject to leases, the depreciation period cannot exceed the contract period.

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.

Lease assets are initially measured at an amount equal to the sum of the recognised lease liability, payments made before the commencement of the lease term less any lease incentives received from the lessor, and any direct costs incurred in connection with entering into the lease agreement.

Expected costs related to the dismantling or disposal of lease assets or the restoration of the underlying assets are recognised as a separate provision. These costs are added to the cost of the lease assets, unless the obligation arises from the production of inventories, in which case the costs are included in the cost of the produced goods. Lease assets are subsequently measured at cost less accumulated depreciation and impairment

losses.

Lease assets are depreciated over the lease term or the useful life of the underlying assets, if shorter. For leases where ownership of the lease assets is transferred at the end of the lease term or it is expected that a purchase option will be exercised, the lease assets are depreciated over their useful life. Depreciation begins at the commencement of the lease term.

Lease assets are impaired to their recoverable amount if this is lower than their carrying amount.

Lease assets are adjusted for remeasurement of lease liabilities, as described below under lease liabilities.

Lease assets are recognised under non-current assets in the accounting line items in which the underlying leased assets would be presented if owned by the company.

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.

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.

Receivables

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

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been 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.

Lease liabilities

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a

financial expense over the term of the leases.

Operating leases

The Company applies IFRS 16 on leases. For all lease agreements where the company is the lessee, a right-of-use asset and a corresponding lease liability are recognised. However, this does not apply to short-term leases (i.e., leases with a lease term of a maximum of 12 months) and leases of low-value assets. For these leases, lease payments are recognised as an expense on a straight-line basis over the lease term, unless another systematic basis better reflects the pattern of consumption of the economic benefits of the leased assets.

Lease payments regarding items with a value below 5,000\$ considers as operating leases and are recognised on a straight-line basis in the income statement over the term of the lease.

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.

Cash flow statement

Referring to section 86(4) of the Danish Financial Statements Act, the Entity has prepared no cash flow statement as such statement is included in the consolidated cash flow statement of Terzo D Holdco ApS, Business Reg. No. 42156647.

