Bregnerød Investeringsselskab ApS

Vassingerødvej 147, 3540 Lynge

CVR no. 31 36 49 49

Annual report 2024

Approved at the Company's annual general meeting on 18 July 2025

Chair of the meeting:

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Contents

Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Bregnerød Investeringsselskab ApS for the financial year 1 January - 31 December 2024.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2024 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2024.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 18 July 2025
Executive Board:

Henrik Lyngbye Pedersen	Jan Sørensen

Independent auditor's report

To the shareholder of Bregnerød Investeringsselskab ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Bregnerød Investeringsselskab ApS for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2024, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 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 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 consolidated financial statements and the parent Company financial statements" (herinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent Company 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 as to 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 the 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:

Independent auditor's report

- 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the Management's review 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review 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's review.

Copenhagen, 18 July 2025
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Morten Weinreich Larsen State Authorised Public Accountant mne42791	Ole Sømark State Authorised Public Accountant mne51497

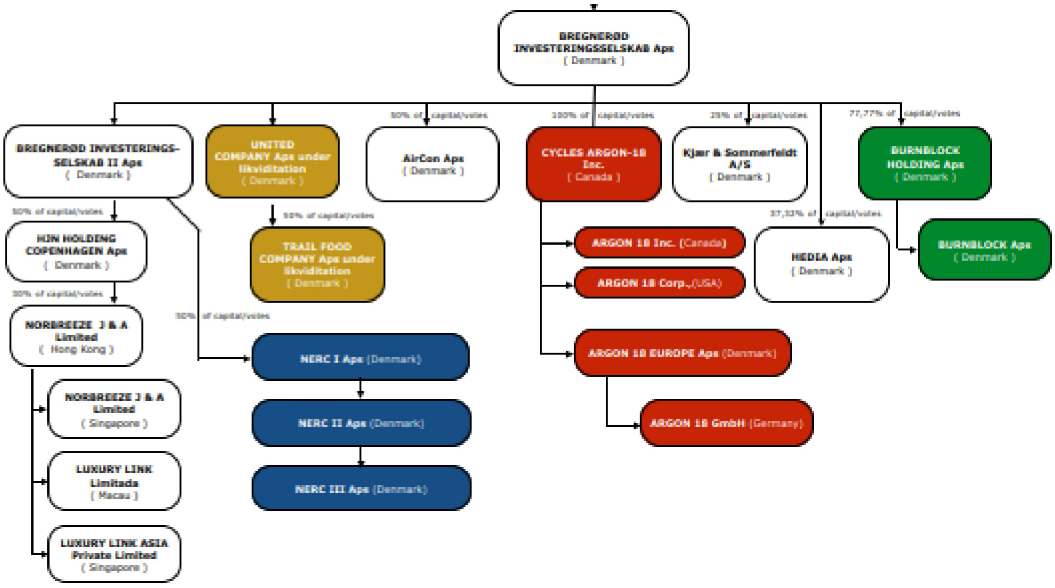
Management's review

Company details

Name	Bregnerød Investeringsselskab ApS
Address, Postal code, City	Vassingerødvej 147, 3540 Lynge
CVR no.	31 36 49 49
Established	17 March 2008
Registered office	Allerød
Financial year	1 January - 31 December
Executive Board	Henrik Lyngbye Pedersen Jan Sørensen
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Group chart



Management's review

Financial highlights for the Group

DKK'000	2024	2023	2022	2021	2020
Key figures					
Revenue	136,720	148,365	129,247	123,217	103,207
Gross profit	-7,972	9,245	8,042	20,070	11,635
Operating profit/loss	-62,267	-35,546	-62,509	-31,294	-35,678
Net financials	-9,478	-2,541	-784	933	-6,540
Profit/loss for the year	-70,543	-36,589	-60,641	-25,331	-39,493
Fixed assets	70,115	51,367	48,101	68,693	71,066
Non-fixed assets	102,195	132,517	127,042	74,824	53,095
Total assets	172,310	183,884	175,143	143,517	124,161
Investments in property, plant and equipment	734	1,059	1,152	3,420	9,530
Equity	-113,371	-43,790	-10,417	-4,803	23,746
Non-current liabilities other than provisions	160,424	127,205	83,533	98,481	74,421
Current liabilities other than provisions	124,653	99,858	101,306	49,838	25,994
Financial ratios					
Operating margin	-45.1%	-23.3%	-47.0%	-4.7 %	0.0 %
Gross margin	-5.8%	6.2%	6.2%	16.3%	11.3%
Current ratio	82.0%	132.7%	125.4%	150.1%	204.3%
Equity ratio	-60.7%	-19.0%	-0.7%	-3.3%	19.1%
Return on equity	-101.4%	-204.7%	-2,014.4%	-77.2%	0.0%
Average number of full-time employees	**75**	**73**	**76**	**72**	**71**

For terms and definitions, please see the accounting policies.

Management's review

Management commentary

Principal activities

The main activity of the Group is to design, produce and market bikes and related accessories including technologies and clothing. The Group consist of legal entities in Denmark, Canada, US, and Germany.

The Group has another segment where it has developed and markets a unique sustainable, natural, non-toxic, economic, and industrially adapted solution working as a fire retardant - based on targeted research, systematic documentation, and continuous innovation.

The main activity of the Parent company is to invest in subsidiaries and to perform management services to support the activities in the investments.

Development in activities and financial matters

The income statement for 2024 shows a loss of DKK 70,543 thousand against a loss of DKK 36,589 thousand last year, and the balance sheet at 31 December 2024 shows a negative equity of DKK 113,371 thousand.

The Company has lost more than half of the share capital and is subject to the provisions on reestablishment of the share capital under the Danish Companies Act. The Company has completed its discussions with its owners and has obtained a commitment for the necessary financing of operations up to and including 31 December 2025. On this basis the financial statements have been prepared under the going concern assumption. Reference is made to note 2.

Profit/loss for the year compared to previously announced expectations

In the annual report for 2023, Management expected a loss in the range of DKK 10-20 million. Management considers the group's financial performance in the year unsatisfactory. Management's initiated plans to increase revenue through improvement of sales channels and initiated plans to reduce costs through efficiency projects has not been as effective as expected, where the revenue decreased by DKK 11 million and an unchanged cost base.
In addition the results has been negatively impacted in the amortization of aquired development projects in associates which has been invested in 2025. In addition it has been decided to discontinue activities in the Group of wholesale of leisure and sportswear as well as sports equipment and related activities. The discontinue of the activities has impacted the Group negative on revenue and result.

Financial risks and use of financial instruments

General risks

The Group’s main activities is subject to risks related to the general development in the global economy including risk of recession and decline in consumer products.

Financial risks and interest rate risks

The Groups main source of financing is from shareholder loans. On 31 December 2024 payables to the shareholder amounts to DKK 153 million. The amount is presented under non-current liabilities to reflect that the shareholder has confirmed that their receivable will not be collected during 2025.

Currency risks

Currency risk corresponds to the fair market value of a financial instrument that fluctuates due to the variation of foreign exchange rates. The Group is primarily exposed to risks related to devaluation of DKK vs USD and CAD exchange rate however the risk is reduced due to the net impact of working capital in USD and CAD.

Events after the balance sheet date

No events materially affecting the Group's and the Company's financial position have occurred subsequent to the financial year-end.

Management's review

Outlook

The Group will continue to invest significant amount in development projects for new products, software and general IT. in Due to the uncertainty towards the conflict in the World and the general development in the global economy the outlook for 2026 is subject to uncertainty.

Management expects that the Group for 2025 will incur losses however that these losses will be lower than 2024 and in the range of DKK 20 - 25 million. Management have initiated plans to increase revenue through improvement of sales channels and initiated plans to reduce costs through efficiency projects. On basis of these initiatives Management expects that the Group will be profitable within a few years.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

		Group		Parent company	
Note	**DKK'000**	**2024**	**2023**	**2024**	**2023**
	Revenue	136,720	148,365	0	0
	Cost of sales	-115,953	-113,336	0	0
	Other operating income	625	943	8,682	7,919
	Other external expenses	-29,364	-26,727	-6,316	-9,512
	Gross profit	-7,972	9,245	2,366	-1,593
3	Staff costs	-36,876	-39,967	-3,982	-1,021
4	Amortisation/depreciation of intangible assets and property, plant and equipment	-16,794	-3,881	-14,538	-1,219
	Profit/loss before net financials	-61,642	-34,603	-16,154	-3,833
	Income from investments in group entities	-688	0	-688	-461
	Income from investments in associates	5,928	5,713	6,069	5,769
5	Financial income	363	128	2,986	1,613
6	Financial expenses	-15,081	-8,382	-32,682	-26,859
	Profit/loss before tax	-71,120	-37,144	-40,469	-23,771
7	Tax for the year	577	555	117	0
	Profit/loss for the year	-70,543	-36,589	-40,352	-23,771
	Specification of the Group's results of operations:				
	Shareholder in Bregnerød Investeringsselskab ApS	-70,720	-36,906		
	Non-controlling interests	177	317		
		-70,543	-36,589		

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group 2024	Group 2023	Parent company 2024	Parent company 2023
	ASSETS				
	Fixed assets				
9	**Intangible assets**				
	Completed development projects	0	0	0	0
	Patents and licenses	306	407	0	0
	Goodwill	0	0	0	0
		306	407	0	0
10	**Property, plant and equipment**				
	Land and buildings	8,117	9,070	8,117	9,070
	Other fixtures and fittings, tools and equipment	2,151	3,004	132	141
	Leasehold improvements	4,837	5,206	0	0
		15,105	17,280	8,249	9,211
11	**Investments**				
	Investments in group entities, net asset value	0	0	20,552	21,026
	Investments in associates, net asset value	54,288	15,278	54,156	14,769
	Other securities and investments	0	18,185	0	18,185
	Deposits, investments	416	217	213	209
		54,704	33,680	74,921	54,189
	Total fixed assets	70,115	51,367	83,170	63,400
	Non-fixed assets				
	Inventories				
	Raw materials and consumables	77,830	94,060	0	0
	Work in progress	1,075	12,980	0	0
	Prepayments for goods	551	1,686	0	0
		79,456	108,726	0	0
	Receivables				
	Trade receivables	17,728	19,207	1,116	289
	Receivables from group entities	0	0	257	5,034
	Receivables from associates	2,389	798	2,389	223
	Other receivables	66	958	0	214
	Prepayments	780	626	428	229
		20,963	21,589	4,190	5,989
	Cash	1,776	2,202	0	0
	Total non-fixed assets	102,195	132,517	4,190	5,989
	TOTAL ASSETS	172,310	183,884	87,360	69,389

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

		Group		Parent company	
Note	**DKK'000**	**2024**	**2023**	**2024**	**2023**
	EQUITY AND LIABILITIES				
	Equity				
12	Share capital	185	185	185	185
	Exchange rate adjustments	2,613	1,651	0	0
	Retained earnings	-107,432	-36,712	-42,602	-2,250
	Shareholder in Bregnerød Investeringsselskab ApS' share of equity	-104,634	-34,876	-42,417	-2,065
	Non-controlling interests	-8,737	-8,914	0	0
	Total equity	-113,371	-43,790	-42,417	-2,065
	Provisions				
	Other provisions	604	611	0	0
	Total provisions	604	611	0	0
	Liabilities other than provisions				
13	**Non-current liabilities other than provisions**				
	Mortgage debt	6,655	6,951	6,655	6,951
	Other long-term debt	0	286	0	0
	Payables to shareholders and management	152,958	118,803	76,504	42,138
	Other payables	811	1,165	0	0
		160,424	127,205	83,159	49,089
	Current liabilities other than provisions				
13	Current portion of long-term liabilities	296	730	296	285
	Bank debt	105,703	63,698	24,046	590
	Trade payables	16,416	32,342	749	669
	Payables to group entities	0	0	20,450	20,133
	Income taxes payable	224	224	54	54
	Deposits	17	0	391	438
	Other payables	1,997	2,864	632	196
		124,653	99,858	46,618	22,365
	Total liabilities other than provisions	285,077	227,063	129,777	71,454
	TOTAL EQUITY AND LIABILITIES	172,310	183,884	87,360	69,389

1 Accounting policies
2 Capital ressources
8 Appropriation of profit/loss
14 Contractual obligations and contingencies, etc.
15 Security and collateral
16 Related parties

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Group					
		Share capital	**Exchange rate adjustments**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
	Equity at 1 January 2023	185	-1,565	194	-1,186	-9,231	-10,417
	Transfer through appropriation of loss	0	0	-36,906	-36,906	317	-36,589
	Exchange adjustment	0	3,216	0	3,216	0	3,216
	Equity at 1 January 2024	185	1,651	-36,712	-34,876	-8,914	-43,790
	Transfer through appropriation of loss	0	0	-70,720	-70,720	177	-70,543
	Exchange adjustment	0	962	0	962	0	962
	Equity at 31 December 2024	185	2,613	-107,432	-104,634	-8,737	-113,371

Note	DKK'000	Parent company		
		Share capital	**Retained earnings**	**Total**
	Equity at 1 January 2023	185	21,521	21,706
8	Transfer, see "Appropriation of profit/loss"	0	-23,771	-23,771
	Equity at 1 January 2024	185	-2,250	-2,065
8	Transfer, see "Appropriation of profit/loss"	0	-40,352	-40,352
	Equity at 31 December 2024	185	-42,602	-42,417

Consolidated financial statements and parent company financial statements 1 January - 31 December

Cash flow statement

		Group	
Note	**DKK'000**	**2024**	**2023**
	Profit/loss for the year	-70,543	-36,589
17	Adjustments	10,477	1,952
	Cash generated from operations (operating activities)	-60,066	-34,637
18	Changes in working capital	12,308	-18,844
	Cash generated from operations (operating activities)	-47,758	-53,481
	Income taxes paid	577	555
	Cash flows from operating activities	-47,181	-52,926
	Additions of property, plant and equipment	-734	-1,059
	Purchase of financial assets	0	-165
	Acquisition of other investments	-32,222	-4,942
	Dividend received from associates	3,750	4,999
	Deposits	-199	-217
	Cash flows to investing activities	-29,405	-1,384
	Repayments, long-term liabilities	0	-622
	Proceeds from incurring shareholder debt (net)	34,155	44,145
	Cash flows from financing activities	34,155	43,523
	Net cash flow	-42,431	-10,787
	Cash and cash equivalents at 1 January	-61,496	-50,709
19	**Cash and cash equivalents at 31 December**	-103,927	-61,496

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Bregnerød Investeringsselskab ApS for 2024 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company and group entities controlled by the Parent Company.

Control means a parent company's power to direct a group entity's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

Significant influence

Entities over whose financial and operating policy decisions the group exercises significant influence are classified as associates. Significant influence is assumed to exist if the Parent Company directly or indirectly holds or controls 20%or more of the voting power of the investee, but does not control the investee.

The existence of potential voting rights which may presently be exercised or be converted into additional voting rights in considered when assessing if significant influence exists.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual group entities' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of group entities are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of group entities which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Investments in associates and joint ventures are recognised in the consolidated financial statements using the equity method.

The group's activities in joint operations are recognised on a line-by-line basis.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' equity interest.

Goodwill relating to the non-controlling interests' share of the acquiree is recognised.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Group has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from rental of office and inventory premises is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other operating income

Other operating income comprise items of a secondary nature relative to the Group's core activities, including gains on the sale of fixed assets.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Group's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Group's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Completed development projects	3 years
Patents and licenses	3-20 years
Goodwill	5 years
Buildings	25 years
Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Land is not depreciated.

Profit/loss from investments in group entities and associates

The income statement includes the proportional share of the underlying companies' profit or loss after elimination of internal profit/loss and after tax. In group entities, the full elimination of internal profit and loss is carried out without regard to ownership shares. In associates, only proportional elimination of profit and loss is carried out, taking into account ownership shares.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish group entities. Group entities are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities areidentifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 3 years.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight line basis over the remaining term of the patent, and licences are amortised over the term of the licence, but not exceeding 20 years.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

The scrapvalue of investment in property, plant and equipment is reassessed on yearly basis.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Deposits, investments

Deposits are measured at cost.

Investments in group entities and associates

Equity investments in group entities and associates are measured according to the equity method. Equity investments in joint ventures are also measured according to the equity method in the consolidated financial statements.

On initial recognition, equity investments in group entities and associates are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in group entities and associates measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Other securities and investments

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less that are subject to only minor risks of changes in value.

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in group entities and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Exchange rate adjustments

The exchange rate adjustment comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the disposal of foreign entities or if the conditions for effective hedging no longer exist.
The reserve for foreign currency translation does not represent a limitation under company law and may therefore be negative.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Provisions are measured at net realisable value.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the group entities' income taxes vis à vis the tax authorities as the group entities pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before net financials +/- Other operating income and other operating expenses
Operating margin	$\frac{\text{Operating profit/loss (EBIT) x 100}}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$
Current ratio	$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity excl. non-controlling interests, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax excl. non-controlling interests x 100}}{\text{Average equity excl. non-controlling interests}}$

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

2 Capital ressources

The Group and the Parent Company has completed its discussions with its owner and has obtained a commitment for the necessary financing of operations up to and including 31 December 2025. On this basis the financial statements have been prepared under the going concern assumption. As a part of the discussions, it has been agreed upon that the outstanding payables to shareholders will not be repaid during 2025.

		Group		Parent company	
	DKK'000	**2024**	**2023**	**2024**	**2023**
3	**Staff costs**				
	Wages/salaries	32,124	34,877	3,807	1,016
	Pensions	1,472	1,359	142	0
	Other social security costs	2,376	2,500	33	5
	Other staff costs	904	1,231	0	0
		36,876	39,967	3,982	1,021
	Average number of full-time employees	75	73	5	1

Group

By reference to section 98b(3), (ii), of the Danish Financial Statement Act, remuneration to Management is not disclosed for 2024 and 2023.

		Group		Parent company	
	DKK'000	**2024**	**2023**	**2024**	**2023**
4	**Amortisation/depreciation of intangible assets and property, plant and equipment**				
	Amortisation of intangible assets	13,420	97	13,340	0
	Depreciation of property, plant and equipment	3,374	3,784	1,198	1,219
		16,794	3,881	14,538	1,219
5	**Financial income**				
	Interest income from subsidiaries & associates	55	26	1,900	1,613
	Other financial income	308	102	1,086	0
		363	128	2,986	1,613

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

	DKK'000	Group 2024	Group 2023	Parent company 2024	Parent company 2023
6	**Financial expenses**				
	Interest expenses to subsidiaries	0	0	610	594
	Interest expenses to shareholder	2,158	1,032	1,837	721
	Impairment of receivables from subsidiaries	0	0	25,631	24,222
	Exchange adjustments	838	943	2,389	943
	Bank interests	6,760	4,005	1,377	347
	Mortgage Loan and bank fees	4,128	1,899	0	0
	Other financial expenses	1,197	503	838	32
		15,081	8,382	32,682	26,859

	DKK'000	Group 2024	Group 2023	Parent company 2024	Parent company 2023
7	**Tax for the year**				
	Estimated tax charge for the year	208	34	0	0
	Tax adjustments, prior years	-2	0	0	0
	Refund in joint taxation	-783	-589	-117	0
		-577	-555	-117	0

	DKK'000	Parent company 2024	Parent company 2023
8	**Appropriation of profit/loss**		
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-40,352	-23,771
		-40,352	-23,771

9 **Intangible assets**

DKK'000	Group: Completed development projects	Patents and licenses	Goodwill	Total
Cost at 1 January 2024	7,751	3,957	58,792	70,500
Disposals in the year	-7,751	0	-58,792	-66,543
Cost at 31 December 2024	0	3,957	0	3,957
Impairment losses and amortisation at 1 January 2024	7,751	3,550	58,792	70,093
Amortisation/depreciation in the year	0	101	0	101
Amortisation/depreciation and impairment of disposals in the year	-7,751	0	-58,792	-66,543
Impairment losses and amortisation at 31 December 2024	0	3,651	0	3,651
Carrying amount at 31 December 2024	0	306	0	306

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

9 Intangible assets (continued)

DKK'000	Parent company Goodwill
Cost at 1 January 2024	58,792
Disposals in the year	-58,792
Cost at 31 December 2024	0
Impairment losses and amortisation at 1 January 2024	58,792
Amortisation/depreciation and impairment of disposals in the year	-58,792
Impairment losses and amortisation at 31 December 2024	0
Carrying amount at 31 December 2024	0

10 Property, plant and equipment

	Group			
DKK'000	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2024	41,950	17,355	7,876	67,181
Exchange adjustment	0	30	0	30
Additions	176	558	0	734
Disposals in the year	0	-750	0	-750
Cost at 31 December 2024	42,126	17,193	7,876	67,195
Impairment losses and depreciation at 1 January 2024	32,880	14,351	2,670	49,901
Amortisation/depreciation in the year	1,129	1,441	369	2,939
Reversal of amortisation/depreciation and impairment of disposals	0	-750	0	-750
Impairment losses and depreciation at 31 December 2024	34,009	15,042	3,039	52,090
Carrying amount at 31 December 2024	8,117	2,151	4,837	15,105

	Parent company			
DKK'000	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2024	41,950	720	95	42,765
Additions	176	61	0	237
Cost at 31 December 2024	42,126	781	95	43,002
Impairment losses and depreciation at 1 January 2024	32,880	579	95	33,554
Amortisation/depreciation in the year	1,129	70	0	1,199
Impairment losses and depreciation at 31 December 2024	34,009	649	95	34,753
Carrying amount at 31 December 2024	8,117	132	0	8,249

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

11 Investments

	Group			
DKK'000	Investments in associates, net asset value	Other securities and investments	Deposits, investments	Total
Cost at 1 January 2024	24,591	18,185	217	42,993
Additions in the year	32,222	0	199	32,421
Transfer from other accounts	18,185	-18,185	0	0
Cost at 31 December 2024	74,998	0	416	75,414
Value adjustments at 1 January 2024	-9,313	0	0	-9,313
Dividend distributed	-3,750	0	0	-3,750
Share of the profit/loss for the year	5,693	0	0	5,693
Amortization of aquired development projects	-13,340	0	0	-13,340
Value adjustments at 31 December 2024	-20,710	0	0	-20,710
Carrying amount at 31 December 2024	54,288	0	416	54,704

The carrying amount at 31 December 2024 under investment in associates consist of equity value and an aquired deveolopment projects amounting to DKK 37.1 million. The aquired development projects is amortized over a 3 year period. Amortization during 2024 amounts to DKK 13,340 thousand.

Group

Associates

Name	Domicile	Interest
Kjær & Sommerfeldt A/S	Copenhagen	25.00%
AirCon ApS	Lynge	50.00%
HJN Holding Copenhagen ApS	Charlottenlund	45.00%
Trail Food Company ApS (Under frivillig likvidation)	Lynge	50.00%
Hedia ApS	Copenhagen	37.32%

	Parent company				
DKK'000	Investments in group entities, net asset value	Investments in associates, net asset value	Other securities and investments	Deposits, investments	Total
Cost at 1 January 2024	204,022	5,840	18,185	209	228,256
Additions in the year	0	32,222	0	4	32,226
Transfer from other accounts	0	18,185	-18,185	0	0
Cost at 31 December 2024	204,022	56,247	0	213	260,482
Value adjustments at 1 January 2024	-182,996	8,929	0	0	-174,067
Dividend distributed	0	-3,750	0	0	-3,750
Share of the profit/loss for the year	-474	6,070	0	0	5,596
Amortization of aquired development projects	0	-13,340	0	0	-13,340
Value adjustments at 31 December 2024	-183,470	-2,091	0	0	-185,561
Carrying amount at 31 December 2024	20,552	54,156	0	213	74,921

The carrying amount at 31 December 2024 under investment in associates consist of equity value and an aquired deveolopment projects amounting to DKK 37.1 million. The aquired development projects is amortized over a 3 year period. Amortization during 2024 amounts to DKK 13,340 thousand.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

11 Investments (continued)

Parent company

Name	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Bregnerød Investeringsselskab II ApS	Lynge	100.00%	20,553	24
United Company ApS (Under frivillig likvidation)	Lynge	90.00%	111	-2,270
Burnblock Holding ApS	Lynge	78.00%	-39,697	1,054
Cycles Argon-18 Inc.	Montreal, Canada	100.00%	0	0
Associates				
Kjær & Sommerfeldt A/S	Copenhagen	25.00%	68,362	24,225
AirCon ApS	Lynge	50.00%	-702	-6,801
HJN Holding Copenhagen ApS	Charlottenlund	45.00%	-9	-41
Trail Food Company ApS (Under frivillig likvidation)	Lynge	50.00%	22	-891
Hedia ApS	Copenhagen	37.32%	1,541	-30,458
NERC I ApS	Lynge	50.00%	40	0

12 Share capital

185,002 class A shares of DKK 1 each.
The share capital from 2019-2021 was DKK 175 thousand and increased to DKK 185 thousand in 2022. For 2023 and 2024 the share capital is unchanged.

The Company held no treasury shares at the balance sheet date. No treasury shares were acquired or sold in the financial year.

13 Non-current liabilities other than provisions

	Group			
DKK'000	Total debt at 31/12 2024	Short-term portion	Long-term portion	Outstanding debt after 5 years
Mortgage debt	6,951	296	6,655	0
Payables to shareholders and management	152,958	0	152,958	0
Other payables	811	0	811	0
	160,720	296	160,424	0

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

14 Contractual obligations and contingencies, etc.

Other financial obligations

Group

The Group is party to a few pending legal actions. In Management's opinion, the outcome of these legal actions will not affect the Group's financial position apart from the receivables and payables recognised in the balance sheet at 31 December 2024.

The Parent Company is jointly taxed with the Danish subsidiaries. As administration company, the Company has unlimited joint and several liability, together with the subsidiary, for payment of Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation group. The jointly taxed entities' total known net liability in respect of corporation taxes and withholding taxes payable on dividend, interest and royalties amounted to DKK 0 thousand at 31 December 2024. Any subsequent corrections of income subject to joint taxation and withholding taxes, etc., may entail that the entities' liability will increase. The Group as a whole is not liable to any third parties.
The Group's Danish entities are jointly and severally liable for joint VAT registration.

Operating lease commitments
The Group's entities have entered into operating leases with a remaining term of 73 months. The remaining nominal lease commitment totals DKK 5,183 thousand.

15 Security and collateral

Group

Land and buildings with a carrying amount of DKK 8,117 thousand at 31 December 2024 have been provided as collateral for debt to mortgage credit institutions of DKK 6,951 thousand.

Inventories of a carrying amount of DKK 48,312 thousand and trade receivables of DKK 8,532 thousand has been provided as guarantee for debt to credit institutions of DKK 29,381 thousand.
The Group has provided a payment guarantee totaling DKK 1,000 thousand for the payment of the beneficiant Brenntag Nordic A/S.

The Parent Company have issued letter of support to its subsidiaries and associates Burnblock Holding ApS, Argon 18 Europe ApS, Cycles Argon 18 Inc. and Aircon ApS for commitments up to and including 31st December 2025.
The letter of support issued to Cycles Argon 18 Inc. is limited to five million Canadian dollars.

The Parent Company has issued an unlimited joint and several guarantee in favour of its subsidiary Burnblock Holding ApS and a gurantee in favour of its subsidiary Argon 18 Inc. amounting to DKK 29,769 thousand.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

16 Related parties

Group

Related party transactions

DKK'000	2024	2023
Group		
Receivables from participating interests	2,389	798
Payables to shareholder	152,958	118,803
Parent Company		
Sale of goods and services to subsidiaries	8,628	7,899
Sale of goods and services to participating interests	38	0
Purchase of goods and services from subsidiaries	0	2,007
Interest expenses to shareholder	1,837	721
Interest income from subsidiaries	1,900	1,613
Interest expenses to subsidiaries	610	594
Receivables from subsidiaries	257	5,034
Receivables from participating interests	0	223
Payables to shareholder	76,504	42,138
Payables to subsidiaries	20,450	20,133

Ownership

Name	Domicile
Henrik Lyngbye Pedersen	København

		Group	
	DKK'000	2024	2023
17	**Adjustments**		
	Amortisation/depreciation and impairment losses	16,794	3,881
	Financial expenses	-14,718	-8,240
	Other adjustments	8,401	6,311
		10,477	1,952
18	**Changes in working capital**		
	Change in inventories	29,270	-6,533
	Change in receivables	626	-2,445
	Change in trade and other payables	-17,588	-9,866
		12,308	-18,844
19	**Cash and cash equivalents at year-end**		
	Cash according to the balance sheet	1,776	2,202
	Short-term debt to banks	-105,703	-63,698
		-103,927	-61,496

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Henrik Lyngbye Pedersen
CEO
På vegne af: Bregnerød Investeringsselskab
Serienummer: 0fb3573f-c6ea-4c14-8929-36cc3de1c157
IP: 87.54.xxx.xxx
2025-07-18 08:05:02 UTC

Jan Sørensen
Dirigent
På vegne af: Bregnerød Investeringsselskab
Serienummer: 9309853e-4e7a-4929-bf79-57529a8306c4
IP: 185.118.xxx.xxx
2025-07-18 08:11:28 UTC

Jan Sørensen
CFO
På vegne af: Bregnerød Investeringsselskab
Serienummer: 9309853e-4e7a-4929-bf79-57529a8306c4
IP: 185.118.xxx.xxx
2025-07-18 08:12:11 UTC

Morten Weinreich Larsen
Statsaut. revisor
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: 49c919d9-2e1d-4491-96c0-83c23db0031b
IP: 147.161.xxx.xxx
2025-07-18 08:33:21 UTC

Ole Witus Sømark
EY Godkendt Revisionspartnerselskab CVR: 30700228
Statsaut. revisor
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: ee215dc6-4f9a-4598-a818-f95ffd255537
IP: 37.96.xxx.xxx
2025-07-18 11:01:28 UTC