Puori ApS

Havnegade 41, 1058 København K

Company reg. no. 32 56 67 31

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 2 July 2024.

Oliver Amdrup-Chamby
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instanceDKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the board of directors and the managing director have presented the annual report of Puori ApS for the financial year 1 January - 31 December 2023.

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

We consider the accounting policies appropriate and, in our opinion, the consolidated financial statements and the financial statements provide a fair presentation of the assets, equity and liabilities, and the financial position, consolidated and for the company, respectively, at 31 December 2023, and of the result of the activities, consolidated and of the company, respectively, during the financial year 1 January – 31 December 2023.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 2 July 2024

Managing Director

Oliver Amdrup-Chamby

Board of directors

Kasper Mule Scott Struve Chairman	Hans-Julius Heslet	Oliver Amdrup-Chamby
John David Shulman	Alexander William Deegan	Sarah Creal

Independent auditor's report

To the Shareholders of Puori ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Puori ApS for the financial year 1 January to 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes for both the Group the Parent Company. The consolidated financial statements and the parent company financial statements are prepared under 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 2023, and of the results of the Group and the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company 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 consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent company financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent company 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 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 consolidated financial statements and the parent company 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 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 consolidated financial statements and the parent company 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 Management’s Review

Management is responsible for Management’s Review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover Management’s Review, and we do not express any form of assurance conclusion thereon.

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

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

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

Copenhagen, 2 July 2024

Grant Thornton
Certified Public Accountants
Company reg. no. 34 20 99 36

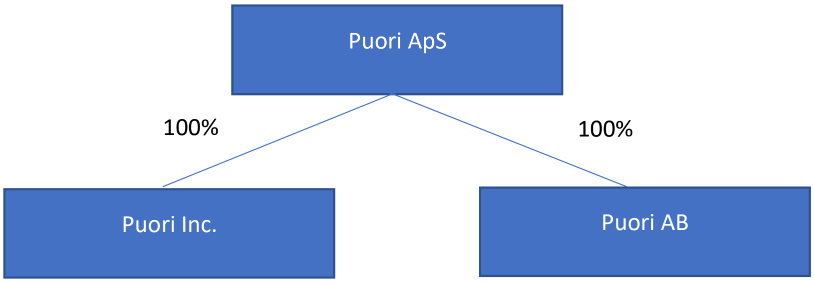
Claus Koskelin
State Authorised Public Accountant
mne30140

Casper Christiansen
State Authorised Public Accountant
mne44100

Company information

The company	Puori ApS Havnegade 41 1058 København K	
	Company reg. no.	32 56 67 31
	Established:	12 November 2009
	Domicile:	Copenhagen
	Financial year:	1 January - 31 December
Board of directors	Kasper Mule Scott Struve, Chairman Hans-Julius Heslet Oliver Amdrup-Chamby John David Shulman Alexander William Deegan Sarah Creal	
Managing Director	Oliver Amdrup-Chamby	
Auditors	Grant Thornton, Godkendt Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	
Subsidiaries	Puori Inc., California Puori AB, Malmø	

Group overview



Management´s review

Description of key activities of the company

Puori is specialized in nutritional supplements based on a core of scientific research and 3rd party testing. Our production is a unique implementation of technology, innovation, and sustainability to create Clean & Superior products and our range is designed to improve health and athletic performance.

The Puori group consists of three entities, Puori ApS in Denmark and the wholly owned subsidiary Puori Inc., a registered Delaware company, located in California, USA & Puori AB, a registered company located in Malmø

Development in activities and financial matters

The development in 2023 has been better than planned. The company has a clear plan and secured capital to support the future growth of the company.

Expected developments

The management expect the result in 2024 to be a small minus but closer to a breakeven from operation activities. The focus is to continue investing in growth activities to further grow the amount of loyal customers, develop the transparency project and expanding sales channels, which will continue during the year.

Income statement 1 January - 31 December

All amounts in DKK.

Note		Group 2023	Group 2022	Parent 2023	Parent 2022
	Gross profit	**12.051.028**	**7.476.095**	**9.379.878**	**4.908.811**
1	Staff costs	-12.984.890	-12.899.119	-12.118.277	-12.141.391
	Depreciation, amortisation, and impairment	-278.316	-364.992	-278.316	-364.992
	Operating profit	**-1.212.178**	**-5.788.016**	**-3.016.715**	**-7.597.572**
	Income from equity investments in subsidiaries	0	0	1.824.995	1.751.465
	Other financial income	192.717	18.974	159.218	0
2	Other financial costs	-3.609.873	-3.406.975	-3.596.833	-3.329.910
	Pre-tax net profit or loss	**-4.629.334**	**-9.176.017**	**-4.629.335**	**-9.176.017**
	Tax on net profit or loss for the year	0	0	0	0
	Net profit or loss for the year	**-4.629.334**	**-9.176.017**	**-4.629.335**	**-9.176.017**

Proposed distribution of net profit:				
Allocated from retained earnings			-4.629.335	-9.176.017
Total allocations and transfers			**-4.629.335**	**-9.176.017**

Balance sheet at 31 December

All amounts in DKK.

Assets

Note		Group 2023	Group 2022	Parent 2023	Parent 2022
	Non-current assets				
	Concessions, patents, licenses, trademarks, and similar rights acquired	124.413	273.704	124.413	273.704
	Total intangible assets	124.413	273.704	124.413	273.704
	Other fixtures and fittings, tools and equipment	366.593	399.482	366.593	399.482
	Total property, plant, and equipment	366.593	399.482	366.593	399.482
	Investments in group enterprises	0	0	0	0
	Other receivables	504.551	399.883	453.966	399.883
	Total investments	504.551	399.883	453.966	399.883
	Total non-current assets	**995.557**	**1.073.069**	**944.972**	**1.073.069**

Balance sheet at 31 December

All amounts in DKK.

Assets

Note		Group 2023	Group 2022	Parent 2023	Parent 2022
	Current assets				
	Raw materials and consumables	1.555.212	388.954	1.555.212	388.954
	Manufactured goods and goods for resale	6.353.493	6.666.213	5.770.218	5.923.639
	Total inventories	7.908.705	7.055.167	7.325.430	6.312.593
	Trade receivables	7.729.919	6.966.768	5.500.323	5.839.468
	Receivables from group enterprises	0	0	3.270.579	3.028.841
	Deferred tax assets	986.271	1.019.538	0	0
	Other receivables	336.590	166.484	18.523	0
	Prepayments and accrued income	62.800	31.655	62.800	31.655
	Total receivables	9.115.580	8.184.445	8.852.225	8.899.964
	Cash on hand and demand deposits	1.219.328	2.455.705	488.336	1.252.825
	Total current assets	**18.243.613**	**17.695.317**	**16.665.991**	**16.465.382**
	Total assets	**19.239.170**	**18.768.386**	**17.610.963**	**17.538.451**

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities

Note		Group 2023	Group 2022	Parent 2023	Parent 2022
	Equity				
	Contributed capital	276.762	260.362	276.762	260.362
	Reserve for foreign currency translation	-272.892	-581.799	-272.892	-581.799
	Retained earnings	-19.014.944	-25.481.001	-19.014.944	-25.481.001
	Total equity	**-19.011.074**	**-25.802.438**	**-19.011.074**	**-25.802.438**
	Liabilities other than provisions				
	Convertible and profit sharing debt instruments	17.500	17.500	17.500	17.500
	Payables to equity interests	16.179.889	18.053.757	16.179.889	18.053.757
	Other payables	5.533.665	8.395.243	5.533.665	8.395.243
3	Total long term liabilities other than provisions	21.731.054	26.466.500	21.731.054	26.466.500
3	Current portion of long term liabilities	3.119.532	1.200.030	3.119.532	1.200.030
	Bank loans	4.348.517	6.894.785	4.348.517	6.894.785
	Trade payables	4.452.603	3.293.090	3.591.767	2.823.150
	Other payables	4.598.538	6.716.419	3.831.167	5.956.424
	Total short term liabilities other than provisions	16.519.190	18.104.324	14.890.983	16.874.389
	Total liabilities other than provisions	**38.250.244**	**44.570.824**	**36.622.037**	**43.340.889**
	Total equity and liabilities	**19.239.170**	**18.768.386**	**17.610.963**	**17.538.451**

4 Charges and security

5 Contingencies

Consolidated statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for development costs	Reserve for foreign currency translation	Retained earnings	Total
Equity 1 January 2022	254.196	0	139.732	-20.300.552	-19.906.624
Cash capital increase	6.166	0	0	3.995.568	4.001.734
Profit or loss for the year brought forward	0	0	0	-9.176.017	-9.176.017
Exchange rate adjustments	0	0	-721.531	0	-721.531
Equity 1 2023	260.362	0	-581.799	-25.481.001	-25.802.438
Cash capital increase	16.400	0	0	11.095.392	11.111.792
Profit or loss for the year brought forward	0	0	0	-4.629.335	-4.629.335
Exchange rate adjustments	0	0	308.907	0	308.907
	276.762	**0**	**-272.892**	**-19.014.944**	**-19.011.074**

Statement of changes in equity of the parent

All amounts in DKK.

	Contributed capital	Reserve for development costs	Reserve for foreign currency translation	Retained earnings	Total
Equity 1 January 2022	254.196	83.075	139.732	-20.383.627	-19.906.624
Cash capital increase	6.166	0	0	3.995.568	4.001.734
Profit or loss for the year brought forward	0	0	0	-9.176.017	-9.176.017
Allocated result for development expenditure	0	-83.075	0	83.075	0
Exchange rate adjustments	0	0	-721.531	0	-721.531
Equity 1 January 2023	260.362	0	-581.799	-25.481.001	-25.802.438
Cash capital increase	16.400	0	0	11.095.392	11.111.792
Profit or loss for the year brought forward	0	0	0	-4.629.335	-4.629.335
Exchange rate adjustments	0	0	308.907	0	308.907
	276.762	**0**	**-272.892**	**-19.014.944**	**-19.011.074**

Notes

All amounts in DKK.

	Group 2023	Group 2022	Parent 2023	Parent 2022
1. Staff costs				
Salaries and wages	12.271.205	12.185.434	11.494.505	11.427.706
Pension costs	616.361	616.361	496.698	616.361
Other costs for social security	97.324	97.324	127.074	97.324
	12.984.890	**12.899.119**	**12.118.277**	**12.141.391**
Average number of employees	20	18	19	17

	Group 2023	Group 2022	Parent 2023	Parent 2022
2. Other financial costs				
Other financial costs	3.609.873	3.406.975	3.596.833	3.329.910
	3.609.873	**3.406.975**	**3.596.833**	**3.329.910**

3. Long term labilities other than provisions

Group and parent

	Total payables 31 Dec 2023	**Current portion of long term payables**	**Long term payables 31 Dec 2023**	**Outstanding payables after 5 years**
Convertible and profit sharing debt instruments	17.500	0	17.500	0
Payables to equity interests	16.179.889	0	16.179.889	0
Other payables	8.653.197	3.119.532	5.533.665	0
	24.850.586	**3.119.532**	**21.731.054**	**0**

4. Charges and security

For bank loans, DKK 4.349 and other debts tDKK 7.888, the company has provided security in company assets representing a nominal value of tDKK 7.500 & tDKK 11.000. This security comprises the assets below, stating the carrying amounts:

	DKK in thousands
Intangible assets	124
Tangible assets	367
Inventories	7.325
Trade receivables	5.500

Notes

All amounts in DKK.

5. Contingencies

Contingent assets

The company has an unrecognized deferred tax asset of tDKK 14.580.

Contingent liabilities

The company has entered into lease agreements with a term of 29 months authorizing commitment of tDKK 1.869.

Accounting policies

The annual report for Puori ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the group and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the group and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Accounting policies

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or write-down for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

The consolidated financial statements

The consolidated income statements comprise the parent company Puori ApS and those group enterprises of which Puori ApS directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Consolidation policies

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' fair value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the group enterprises are recognised by 100%. The minority interests' share of the profit for the year and of the equity in the group enterprises, which are not 100% owned, is included in the group's profit and equity, but presented separately.

Purchases and sales of minority interests under continuing control are recognised directly in equity as a transaction between shareholders.

Investments in associates are measured in the statement of financial position at the proportionate share of the enterprises' equity value i calculated in accordance with the parent company's accounting policies and with proportionate elimination of unrealised intercompany gains and losses. In the income statement, the proportional share of the associates' results is recognised after elimination of the proportional share of intercompany gains and losses.

Accounting policies

The group activities in joint operations are recognised in the consolidated financial statements record by record.

Income statement

Gross profit

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

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation, amortisation, and writedown for the year and profit and loss on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, realised and unrealised capital gains and losses relating to debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in subsidiaries

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual entities are recognised in the income statement of the parent as a proportional share of the entities' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Accounting policies

Statement of financial position

Intangible assets

Purchased rights

Purchased rights is measured at cost with deduction of accumulated amortisation. Purchased rights is amortised on a straight-line basis over the estimated financial life which is 5 years.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

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

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement under depreciation.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The group's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Accounting policies

Investments

Investments in subsidiaries

Investments in subsidiaries are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in subsidiaries are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Investments in subsidiaries with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in subsidiaries transferred to the reserve under equity for net revaluation according to the equity method. Dividends from subsidiaries expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in subsidiaries.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist.

Inventories

Inventories are measured at cost on the basis of weighted measured average prices. In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

Accounting policies

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Reserve for foreign currency translation

The reserve for foreign currency translation arises when translating accounting items in foreign currency.

The reserve is dissolved once the value adjustments have been applied or reversed.

The reserve is distributable.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Accounting policies

Liabilities other than provisions

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

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

Convertible and profit sharing debt instruments

Convertible bonds are issued at a fixed conversion price and is regarded as composite instruments comprising a financial liability measured at amortised cost and an equity instrument in the form of the integral conversion right. Fair value of the financial liability is determined on the date of issue by applying a market rate for a similar non-convertible debt instrument. The difference between the proceeds from issuing the convertible debt instrument and the fair value of the financial liability, corresponding to the integral option to convert the liability to shareholders' equity, is recognised directly in the shareholders' equity. The value of the financial liability is recognised as long-term debts and subsequently measured at amortised cost. When extending convertible bonds, a calculation is made at amortised cost relative to the extension. Any difference is recognised in the income statement.

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Oliver Amdrup-Chamby
Bestyrelsesmedlem
Serial number: aa49185b-972a-4ec4-a346-4c853b21b9f8
IP: 152.115.xxx.xxx
2024-07-02 09:32:38 UTC

Oliver Amdrup-Chamby
Direktør og dirigent
Serial number: aa49185b-972a-4ec4-a346-4c853b21b9f8
IP: 152.115.xxx.xxx
2024-07-02 09:32:38 UTC

Alexander William Deegan
Bestyrelsesmedlem
Serial number: adeegan@juggernautcap.com
IP: 50.230.xxx.xxx
2024-07-02 13:27:03 UTC

Alexander W Deegan

The name is withheld
Bestyrelsesmedlem
Serial number: 78d87ce6-1a62-424c-bf2b-e67a52032bc2
IP: 80.62.xxx.xxx
2024-07-02 13:44:23 UTC

John David Shulman
Bestyrelsesmedlem
Serial number: jshulman@juggernautcap.com
IP: 108.147.xxx.xxx
2024-07-02 14:42:26 UTC

John D Shulman

Hans-Julius Heslet
Bestyrelsesmedlem
Serial number: 75981d73-ad0a-4fa1-856f-c87b10775492
IP: 93.165.xxx.xxx
2024-07-02 18:56:24 UTC

Sarah Creal
Bestyrelsesmedlem
Serial number: sarahcreal@icloud.com
IP: 71.241.xxx.xxx
2024-07-09 03:01:19 UTC

Claus Koskelin
Grant Thornton, Godkendt Revisionspartnerselskab CVR: 34209936
Statsautoriseret revisor
Serial number: a177889e-e1cf-43ed-b293-7c6658ed8958
IP: 62.243.xxx.xxx
2024-07-09 04:00:24 UTC

Casper Christiansen
Grant Thornton, Godkendt Revisionspartnerselskab CVR: 34209936
Statsautoriseret revisor
Serial number: aefa4e83-0bc3-4a7e-89ef-abcc741be5a3
IP: 62.243.xxx.xxx
2024-07-09 05:05:19 UTC