DANISH CONFECTIONERY

LAKRIDS BY BÜLOW



LAKRIDS JB HOLDING APS ANNUAL REPORT 2024

SYDHOLMEN 5, DK-2650 HVIDOVRE

was presented and adopted at the Annual General Meeting of the Company on 17th March 2025
Tue Mantoni, Chairman of the General Meeting

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MANAGEMENT REVIEW

AT A GLANCE

LAKRIDS BY BÜLOW® is an international premium confectionery brand

DKKm
376.0
2024 Revenue

DKKm
64.7
2024 EBITDA

17.2%
2024 EBITDA margin

+745,000
Community members end of 2024

DKKm
25.3
2024 Adjusted EBIT

6.7%
2024 Adjusted EBIT margin

74%
International share of revenue in 2024

64%
Direct-to-consumer share of sales in 2024

244
Employees (FTE) end of 2024

WE MAKE THE WORLD LOVE LIQUORICE





LETTER FROM THE CHAIRMAN OF THE BOARD

When I look back on the past year, I feel proud seeing how much LAKRIDS BY BÜLOW® and our entire team have accomplished together. Ever since the pandemic shook the world five years ago, we have seen rapid changes in market dynamics, and 2024 was no exception. Although consumer sentiment has seen gradual improvements across many of our markets during 2024 on the back of falling inflation and interest rates, we were encountered by a steep increase in cocoa prices as a consequence of challenging conditions for the year's cocoa harvest. Obviously, cocoa is critical for our beloved chocolate-coated products, so naturally the increased raw materials costs have placed pressure on our margins. Nevertheless, our results have once again surpassed expectations with the achievement of both strong revenue and profit growth in 2024 as a result of the team's hard work and strong execution of the company's strategy.

It is remarkable that what Johan Bülow once began in his mother's kitchen on Bornholm continues to capture hearts far beyond Denmark's borders. Our international revenue share now stands at 74% of total revenue, and Germany, which became our biggest market in 2023, delivered a strong 29% growth with no signs of stopping momentum in the years to come. LAKRIDS BY BÜLOW® continues to see steadily growing brand awareness in the market, and the opening of five additional own retail stores brings us to 15 stores in total. In addition, we saw an exceptional response in the United Kingdom as well as the United States, which now jointly contribute by more than 10% of total revenue. It is becoming increasingly evident that there is a strong global appreciation of LAKRIDS BY BÜLOW's products, where consumers across the world appreciate the unique gourmet experience we deliver, rooted in the Danish confectionery and design heritage.

I am also proud to share that our community of LAKRIDS LOVERS grew by over 50% this year, surpassing 220,000 members. The community of LAKRIDS BY BÜLOW® is invaluable to us as it allows us to maintain a constant dialogue with our loyal and engaged customer base, receiving creative and innovative ideas for new flavours and providing feedback on newly launched products.

As we wrap up 2024, I wish to thank everyone in our organisation for their hard work and unwavering commitment. The world continues to be an eventful place and there are always new opportunities as well as challenges to act on but it is clear that consumers across the world are excited about the LAKRIDS BY BÜLOW® brand, products and story.

Tue Mantoni
Chairman

LETTER FROM THE MANAGEMENT

SOLID FOUNDATION FOR FUTURE GROWTH

When we began 2024, we anticipated a dampened consumer sentiment due to the many global uncertainties, including geopolitical tensions as well as elevated inflation and interest rates. Despite this dynamic, we experienced one of the best years on record for LAKRIDS BY BÜLOW®, achieving a remarkable 18% revenue growth. The growth was driven by strong momentum across our sales channels and geographical markets, which can be attributed to our strong focus the past couple of years on the customer experience, own store roll-out and launches of new products appreciated worldwide by our customers.

While accelerating revenue growth, we also had to navigate strong headwinds on profitability as a consequence of increasing cocoa prices. Through a number of well-implemented operational excellence initiatives, we managed to offset the majority of the cocoa price impact, however



FREDRIK NILSSON
CEO



seeing our EBITDA margin decreasing slightly from 18.4% in 2023 to 17.2% in 2024. As we enter 2025, our focus on increasing the robustness of the company and continued efficiency improvements remain. We are comfortable that we will be able to continue to drive margins in a positive direction over time due to the inherent scalability of our business model.

It was encouraging to see how our unique multi-channel model has proven successful again in 2024, with all channels contributing to the year's revenue growth, with LAKRIDS BY BÜLOW® reaching an all-time high revenue of DKK 376.0 million. This was the first time since 2018 where all channels had a double-digit growth. We are convinced that this model will continue to yield stable strong results, driving brand awareness and synergies by leveraging the strengths of each sales channel. A new retail store allows consumers to enjoy and discover our complete product universe while also serving as a brand beacon. Our B2B channel allows us to widen our presence, reaching new audiences and building the brand through high-quality partnerships with an efficient cost to serve. The physical channels have proved to be very valuable for our third channel, e-commerce, as more than 50% of our e-commerce consumers have first tried the product offline prior to making their e-commerce purchase. Additionally, our e-commerce channels unlock exciting digital marketing opportunities and makes our products accessible to consumers worldwide.

The strongest performance was seen in our direct-to-consumer channels, own retail and e-commerce, which makes up more than two-thirds of total company revenue. The own retail channel led the way with an impressive 27% growth, driven by a combination of strong like-for-like growth and seven new store establishments, reaching 40 stores in total. The e-commerce channel grew by 15%, driven by the strong growth in our customer community now surpassing 745.000 email subscribers and 220 000 LAKRIDS LOVERS. Lastly, our B2B channel saw 13% growth as a result of our renewed strategy to focus on larger, high-potential customer accounts, channelling the team's time and energy to where they can deliver maximum impact.

As I look ahead, I am optimistic about LAKRIDS BY BÜLOW's journey. Year by year, we are expanding our international presence, winning the hearts of new consumers worldwide, despite a challenging and complex market environment. None of our achievements would have been possible without the passion and hard work of our entire team, which I would like to thank for helping make LAKRIDS BY BÜLOW® the extraordinary brand it is today.

Fredrik Nilsson
CEO

FINANCIAL HIGHLIGHTS

Seen over a five-year period, the development of the group is described by the following financial highlights:

In thousands DKK (IFRS consolidated financial statements)	2024	2023	2022	2021	2020
Income statement					
Revenue	376,004	319,288	317,027	293,054	256,386
Gross profit	293,017	252,461	249,638	227,379	192,791
EBITDA	64,671	58,611	45,013	63,887	55,742
Adjusted EBIT*	25,306	25,445	13,614	35,011	28,519
EBIT	23,179	22,693	3,412	21,836	28,519
Net financials	(20,974)	(28,782)	(728)	(20,271)	(29,010)
Profit/loss before tax	2,205	(6,089)	2,684	1,565	(491)
Profit/loss for the year	(2,340)	(6,440)	5,069	(1,946)	(2,761)
Statement of financial position					
Balance sheet total	662,706	624,001	602,251	599,403	590,557
Equity	307,888	312,948	319,749	316,313	318,163
Cash flows					
Cash flows from operating activities	33,837	60,319	(909)	48,666	57,009
Cash flows from investing activities	(20,799)	(13,855)	(18,972)	(21,824)	(19,234)
- Hereof cash flows from investment in PP&E	(14,736)	(10,407)	(14,940)	(16,773)	(14,810)
Cash flows from financing activities	(6,851)	(40,194)	5,431	(27,625)	(25,051)
Financial ratios (%)					
Gross margin	77.9%	79.1%	78.7%	77.6%	75.2%
EBITDA margin	17.2%	18.4%	14.2%	21.8%	21.7%
Adjusted EBIT margin*	6.7%	8.0%	4.3%	11.9%	11.1%
EBIT margin	6.2%	7,1%	1.1%	7.5%	11,1%

The financial ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts.

* Adjusted EBIT is defined as EBIT (earnings before interest and tax) adjusted to exclude special items.





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OUR BUSINESS

A MODERN TAKE ON PREMIUM CONFECTIONERY



LIQUORICE ROOTS

It takes the liquorice plant four to seven years to grow before its roots have matured enough to be harvested. Once the roots are harvested and dried they are turned into liquorice powder, which is what we use for our products. Liquorice roots can be up to 10 meters long.



LAKRIDS BY BÜLOW® was founded on the Danish island of Bornholm in 2007 by Johan Bülow with a dream of making the best liquorice in the world.

LAKRIDS BY BÜLOW® was founded in 2007 by Johan Bülow on the Danish island of Bornholm with a dream of elevating the Scandinavian favourite liquorice into a gourmet treat. Based on the vision of creating a unique confectionery product, Johan Bülow launched the first premium chocolate-coated liquorice in 2009.

This pioneering act created an entirely new product category, based on the unique combination of chocolate and liquorice. Today, LAKRIDS BY BÜLOW® is a widely recognisable brand rooted in the Scandinavian food and design heritage, with chocolate-coated products making up approximately 94% of total revenue in 2024.



OUR PRODUCTS

LAKRIDS BY BÜLOW® has a distinctive and differentiated product offering including both a Permanent Collection as well as Limited Editions.

THE PERMANENT COLLECTION



43%
2024 total revenue

The Permanent Collection consists of classic products that define and preserve the essence of our brand and contributes to the long-term customer loyalty by providing customers with familiar products.

LIMITED EDITIONS



57%
2024 total revenue

Seasonal Limited Editions comprise both new flavours and recurring favourites that capture consumer attention on a seasonal basis (e.g. Valentine's Day, Easter and Christmas).

Limited Editions strengthen the occasions to generate brand awareness and create excitement and anticipation among loyal customers. Selected Limited Editions are tested and developed together with our customer community prior to seasonal launches.



CHRISTMAS CALENDAR

We created our first Christmas calendar in 2011 and it rapidly became popular among our customers. Featuring a plethora of new flavours – and equipped with a QR code for customer feedback – it is an ideal product for building customer engagement. Our Christmas calendar is also an excellent marketing tool, and it has obtained coverage in prominent media around the world.

A LARGE & GROWING MARKET

LAKRIDS BY BÜLOW's unique products are positioned in the high end of the premium confectionery market. The global premium confectionery market value is estimated at DKK 207 billion with the European and North American markets accounting for approximately DKK 121 billion[1].

Our current focus markets are the Nordics, the DACH region (Germany, Austria and Switzerland), the United Kingdom, Dubai and the US, and we estimate the market value of these markets to DKK 69 billion with an expected annual average growth rate of 9% until 2029[2].

With an estimated market share for LAKRIDS BY BÜLOW® of approximately 0.5%[2] of the premium confectionery in our focus markets - ranging from around 6% in Denmark to less than 1% in Germany, the United Kingdom and the US - there is plenty of room for LAKRIDS BY BÜLOW® to grow. Both in our existing focus markets and, in the longer term, beyond our focus markets.
We believe that the premium confectionery market will benefit from several longterm trends such as increased focus on health and wellness, driving consumers towards quality over quantity; increasing appreciation for taste differentiations and craftsmanship; a growing interest in natural ingredients and products free of additives; as well as a growing popularity of premium confectionery as an authentic gift with an engaging story behind it.

Premium confectionery products are sold for both self-indulgence and gifting purposes. LAKRIDS BY BÜLOW® is positioned in the sweet spot of the premium confectionery market with our sales being evenly split between the two purchase occasions.

[1] Source: Company information
[2] Excluding Austria and Switzerland

FOCUS MARKETS

- Finland
- Norway
- Sweden
- Denmark
- United Kingdom
- Germany
- Austria
- Switzerland
- USA
- Dubai

Global premium confectionery market
market size, DKK billion
207

LAKRIDS BY BÜLOW®'s focus markets[2]
market size, DKK billion
69

Expected annual growth rate until 2029
LAKRIDS BY BÜLOW®'s focus markets[2]
9%



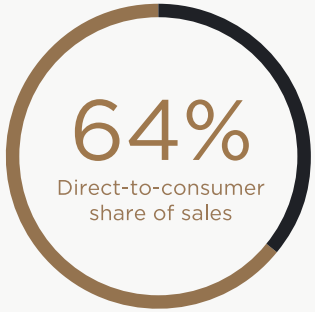
CUSTOMER ENGAGEMENT IS KEY TO SUCCESS

DIRECT-TO-CONSUMER

Customer engagement and a close dialogue with our customers are essential for our success. In order to enhance the brand experience and showcase the full LAKRIDS BY BÜLOW® universe while building deep and engaging customer connections, our main focus is on our direct-to-consumer sales channels.

Through our 40 retail stores, positioned in carefully selected locations, LAKRIDS BY BÜLOW® is able to drive in-store purchases and stores act as brand beacons and venues for storytelling. Our physical stores are complemented by a rapidly growing e-commerce platform, allowing customers access to our full product range regardless of their physical location. In addition to our own webshops in six different languages that serve 36 markets across the world, LAKRIDS BY BÜLOW® is also available on Amazon in the US, Germany and in the UK. Our own retail stores accounted for approximately 31% of our total revenue in 2024.

We have seen a significant increase in our e-commerce sales over the past few years. In 2024, e-commerce was our biggest direct-to-consumer channel, accounting for approximately 33% of our total revenue. In total, our two direct-to-consumer sales channels represented 64% of the total revenue in 2024.



OUR RETAIL STORES

We aim to bring the Factory Experience into all our own retail stores, which as of 31 December 2024 were located in:

- **Denmark** (9)
- **Finland** (2)
- **Germany** (15)
- **Norway** (4)
- **Sweden** (4)
- **United Arab Emirates** (3)
- **UK** (3)

Total: 40

In 2024, own retail stores experienced significant growth and represented 31% of total revenue. We will continue to open new, profitable and brand-building own retail stores in both existing and new geographies.

BUSINESS-TO-BUSINESS

In addition to, and highly complementary to, our direct-to-consumer sales channels, we also sell our products through our business-to-business (B2B) channel, which comprises of approximately 1,700 carefully selected, high-quality third-party retailers across 36 countries, as well as blue-chip corporate customers.

The third-party retailers are often premium department stores and specialty stores. These accounted for approximately 29% of total revenue in 2024. Our corporate customers, ranging from small local companies to large multinational corporations typically use our products as gifts for their customers and employees. The corporate customers represented 7% of our total revenue in 2024. We believe that our strong brand equity is a significant driver for establishing partnerships with blue-chip corporate customers such as Mercedes-Benz, Bang & Olufsen and Emirates Airlines.



Number of third-party retailers (approx.)	1,700
Share of revenue through third-party retailers	29%
Share of revenue to corporate customers	6%

EMIRATES AIRLINES

Emirates Airlines has been a key corporate customer with LAKRIDS BY BÜLOW® for seven years. We are proud to provide our branded products to first class passengers on their flights to over 120 destinations in 70 countries. This corresponds to approximately 36,000 jars per month and around 3 million pieces being served each year to first class passengers.

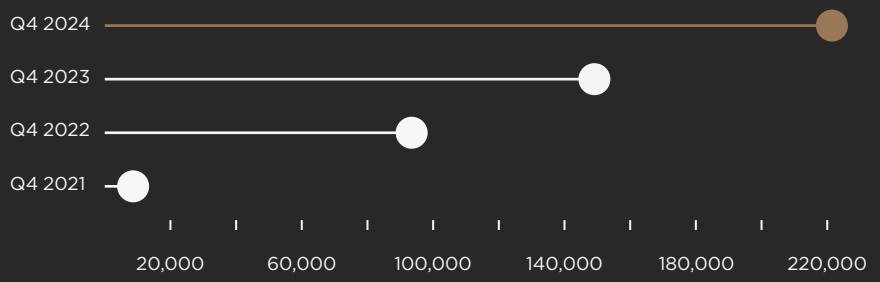
THE WORLD'S LARGEST TASTING PANEL

Our vision is to create the world's largest tasting panel through our community, driving customer engagement and loyalty. Over the past years, our customer community has seen remarkable growth, reaching 745,000 members by the end of 2024, compared to approximately 657,000 members by the end of 2023. The increase has largely been driven by a significant inflow of new members residing outside of Denmark, which now account for more than two thirds of all members.

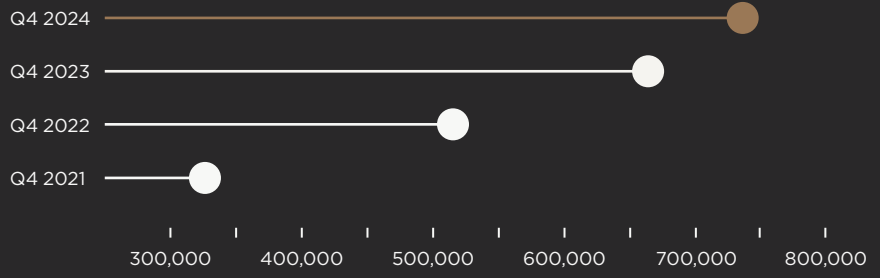
The people in our community are treated to exclusive limited editions several times a year and are invited to competitions, factory tours, and other events. In return, the community members provide us with valuable feedback on taste, design, packaging and sometimes even recipe suggestions.

Our community demonstrates both a higher average repurchasing frequency and a higher average order value than the average customer. The community's share of our own e-commerce revenue in 2024 amounted to 76,7%.

LAKRIDS LOVERS
Number of members



EMAIL SUBSCRIBERS
Number of members



Community's share of own e-commerce revenue
2024

77%

AMPLE ROOM TO GROW IN OUR CURRENT FACTORY SET-UP

All of our chocolate-coated and gourmet liquorice products are developed and produced in-house at our combined headquarter and factory in Hvidovre, just outside of Copenhagen.

In our production factory of around 4,200 square meters, we manufactured approximately 4.8 million jars, corresponding to over 1,200 tons of premium confectionery in 2024. We use natural ingredients of the highest quality in our production.

The production process is mostly automated and thus highly scalable, but also includes elements of human touch, in line with our brand's core values of authenticity and craftsmanship.

We believe that we can double the production output within the current production set-up over the coming years, assuming a maintained production investment level compared to that of the recent years.



PROVEN STRATEGY FOR CONTINUED GROWTH

We have a strong track record of profitable revenue growth, and we are fully focused on continuing to deliver on this. We believe that our distinctive product offering, our growing international footprint along with the ample room for increased consumer brand awareness underscore the significant runway for further growth for LAKRIDS BY BÜLOW®. We will continue to execute on our proven strategy, based on three pillars.

1

Direct-to-consumer led growth

We aim to gradually increase our share of sales through our direct-to-consumer sales channels, driven by further scaling of our e-commerce platform and digital experience in combination with continuous expansion of our footprint of carefully selected own retail stores. The direct-to-consumer led growth does not only benefit the direct-to-consumer channel; the strong channel synergies result in increased brand awareness, traffic and credibility, which in turn benefit the business-to-business channel.

2

Further penetration of focus markets

With an estimated market share of approximately 1% of the premium confectionery market in our geographical focus markets[1], we see significant opportunities for further long-term growth. By driving a continuous increase in consumer brand awareness, we aim to capture the full potential in these markets, supported by the fact that we enjoy a strong conversion rate of at least 50% from awareness to purchase in most of our focus markets. Among our 10 focus markets including Dubai, US, Austria, Switzerland, Germany, UK, DK, SE, NO, FI, Germany stands out with the strongest momentum in combination with the largest potential in terms of market size.

3

Deeper customer connections

We have a clear focus on deepening and further strengthening the connection with our consumers. Our large and fast-growing customer community allows us to establish a continuous dialogue with our customers, resulting in increased engagement levels, as well as valuable insights used in our product development and to increase marketing efficiency. We will continue to upgrade our community platform and see vast opportunities for growing engagement levels even further.

[1] Excluding Austria and Switzerland

BUSINESS REVIEW 2024

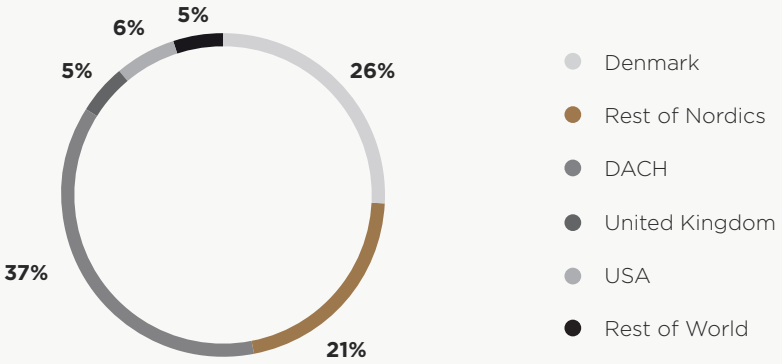
Revenue
In 2024, LAKRIDS BY BÜLOW® recorded total revenue of DKK 376.0 million, up 18% from DKK 319.3 million in 2023 and 6% above the 2024 outlook of DKK 335 - 355 million due to strong performance across all channels. The increase was primarily driven by growth in direct-to-consumer sales.

Direct-to-consumer sales through LAKRIDS BY BÜLOW's own retail shops and e-commerce accounted for 64% of total revenue compared to 63% in 2023, while B2B accounted for the remaining 36% of total revenue in 2024 vs. 37% in 2023. Own retail shops revenue experienced strong growth and accounted for 31% of total revenue, while revenue through e-commerce accounted for 33% of total revenue.

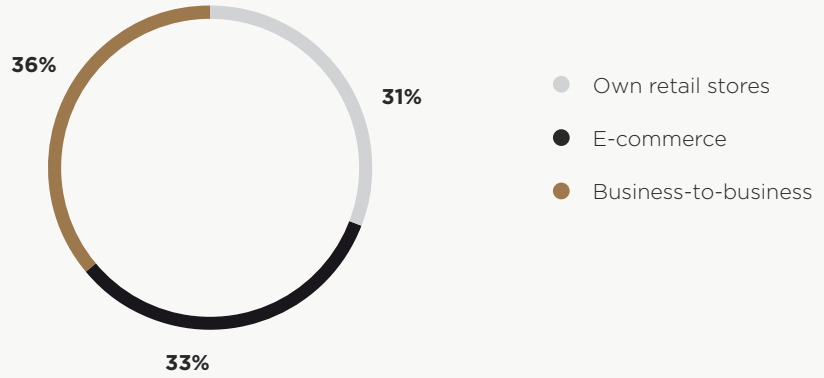
Geographically, the international share of revenue increased to 74% of total revenue, up from 70% in 2023. LAKRIDS BY BÜLOW's products are sold in 36 countries.

Total revenue DKK million	376.0
EBITDA DKK million	64.7
EBITDA margin %	17.2%
Adjusted EBIT DKK million	25.3
Adjusted EBIT margin %	6.7%

Geographical revenue split for 2024



Sales channel revenue split for 2024



BUSINESS REVIEW 2024 (continued)

Gross profit
Gross profit in 2024 was DKK 293 million, compared to DKK 252.5 million in 2023, corresponding to a gross margin of 77.9% in 2024 down from 79.1% in 2023. The gross margin dilution was caused by unprecedented increases in chocolate prices during the year and higher costs on the Large Calendar in its introduction year.

EBITDA
EBITDA before special items was DKK 64.7 million, compared to DKK 58.6 million in 2023, an increase of 10% and corresponding to an EBITDA margin of 17.2% down from 18.4% in 2024. The EBITDA in 2024 was in the mid-point of the EBITDA outlook for the year of 60-70 million.

Adjusted EBIT
Adjusted EBIT before special items was DKK 25.3 million in 2024 compared to DKK 25.4 million in 2023.

Net result
Net result for the year 2024 was a loss of DKK 2.3 million in 2024 compared to a loss of DKK 6.4 million in 2023.

Cash flow
Cash flow from operating activities in 2024 was positive DKK 33.8 million compared to positive DKK 60.3 million in 2024.

Capex
Capital expenditures amounted to DKK 16.9 million in 2024 compared to DKK 12.8 million in 2023. Capital expenditures for 2024 primarily comprised of new retail stores to support the growth strategy, strengthening our e-commerce platform and production site, as well as investment in our B2B point of sales materials. All of above investments according to our new growth strategy across our 3 sales channels.

Financing
Borrowing is presented as short term on the balance sheet for 2024. The Group refinanced its loans in Q1 2024, where a new bilateral loan agreement with Sydbank was signed. End September 2024, the loan was restructured according to the loan agreement, increasing short term overdraft facility in Lakrids by Bülow A/S by DKK 40 million and reducing the long term facility in Lakrids JB Holding Aps equivalently as a debt pushdown into Lakrids by Bülow A/S.

OUTLOOK FOR 2025

Total revenue
DKK million
425 - 450

EBITDA
DKK million
75 - 85



3

ESG



BEING A B CORP MEANS LIVING
OUR VALUES AND INVESTING IN THE
WELLBEING OF THE PLANET AND PEOPLE

Certified B Corporation

ENVIRONMENT, SOCIAL & GOVERNANCE



Since the beginning of our story in 2007, we have set the bar high, challenged the conventional, and never accepted the status quo. With a clear ambition to pioneer the concept of sustainable luxury within the premium confectionery category, environmental, social, and governance (ESG) aspects are a key part of every single decision made at **LAKRIDS BY BÜLOW®**. In January 2024, we achieved **B Corp certification**, marking a significant milestone in our commitment to social and environmental responsibility with a score of **85.3 points**. Certified B Corporations are companies verified by the non-profit organization B Lab to meet high standards of social and environmental performance, public transparency, and legal accountability.

We maintain a continuous focus on driving sustainability initiatives across our entire value chain, from sourcing raw materials to product packaging, as well as optimising energy consumption and ensuring the well-being of our employees.



ENVIRONMENTAL RESPONSIBILITY

We are strongly committed to reducing the environmental footprint of our supply chain, production, and products. By investing in modern production equipment, improving processes, and designing for a circular economy, we have continued to make significant progress:

- **Water reduction:** Since 2016, we have reduced water consumption by **58.82%** per kilogram produced
- **Waste reduction:** Over the same period, waste has been reduced by **66%** per kilogram produced
- **100% renewable energy:** Since 2020, all power consumption at our factory has been covered by Danish windmills through the purchase of green certificates
- **Sustainable packaging:** Since 2019, our plastic jars have been made from **100% recycled and recyclable (R-PET) plastic**, and all labels are **100% FSC-certified paper**
- **Refill initiatives:** In 2024, we strengthened our commitment to sustainability by introducing **refill bags** for our **SLOW CRAFTED** organic product line, further supporting material reduction and waste minimisation
- **Certified organic product growth:** Our organic product sales have increased by 474% since 2017, with 7.14% of our total sales in 2024 coming from organic products

REDUCING OUR CO_2 EMMISIONS

REDUCING WASTE FROM PRODUCTION

REDUCING WATER CONSUMPTION

100% OF THE POWER CONSUMPTION AT OUR FACTORY IS COVERED BY DANISH WINDMILLS

CONTINUOUS IMPROVEMENT AND REDUCTION OF MATERIAL CONSUMPTION IN PACKAGING



SOCIAL RESPONSIBILITY

As an integral part of our brand, we carefully select our suppliers to ensure products of the highest quality:

- Our commitment to product excellence is once again reflected in a **Net Promoter Score (NPS) of 82**, increased from 75 in 2023 officially categorized as an excellent score that highlights strong customer loyalty and trust
- **Zero product recalls:** For the **fifth consecutive year**, we recorded **zero recalls** of potentially unsafe products in 2024, reinforcing our proactive approach to quality control and safety

  Zero work-related injuries were reported in 2024, improving from one incident in 2023

  Our **Employee Net Promoter Score (eNPS)** increased to **41** from **29** the previous year

  75% of employees stated that "We have fun" at work—an essential part of our company culture as defined in *Our Way*
- **Diversity and inclusion:** We continue to prioritise a **minimum 40% representation** of the underrepresented gender at all management levels

GOVERNANCE

LAKRIDS BY BÜLOW® is committed to always exercising good corporate governance. Our governance framework includes:

- A **two-tier structure** with a Board of Directors overseeing strategy and an Executive Management team handling operations
- **Risk management** as an integrated part of daily operations and strategy execution, with continuously developed policies to mitigate business and financial risks
- A **Board of Directors** consisting of five members, including a Chairperson and Vice Chairperson, with three members considered independent. The Board brings international business expertise relevant to our industry
- In 2024, the Board met **five times**, including a dedicated strategy meeting
- Two established committees—**Audit Committee** and **Remuneration & Nomination Committee**—to support decision-making at the Board level
- An annual evaluation of **Board efficiency, performance, achievements, and collaboration** with the Executive Management
- A **whistle-blower policy and function** in place to ensure regulatory compliance and uphold ethical standards

By embedding ESG principles into our business strategy, we continue to set ambitious goals and drive positive change, ensuring that sustainability, social responsibility, and good governance remain at the heart of LAKRIDS BY BÜLOW®'s operations.



EXECUTIVE MANAGEMENT



FREDRIK NILSSON
CEO

Swedish, born 1980

With LAKRIDS BY BÜLOW®
as CEO since 2017

Previous experience:
Nestlé Switzerland,
Nestlé Nespresso (Country
Manager Denmark)



NIKOLAJ ENEVOLDSEN
CFO

Danish, born 1979

With LAKRIDS BY BÜLOW®
as CFO since 2023

Previous experience:
Maersk, Svitzer, Carlsberg,
Hempel



JOHAN BÜLOW
Creative director

Danish, born 1984

Founded LAKRIDS BY BÜLOW
in 2007

Previous experience:
Entrepreneur

BOARD OF DIRECTORS

TUE MANTONI
Chairperson

(Independent)

Danish, born 1975

Other positions:
Organic Crave (Chair),
Stine Goya (Chair),
Soundboks (Vice Chair),
Joe & The Juice (board member),
GUBI (board member)

Previous experience:
Bang & Olufsen (CEO),
Triumph Motorcycles (CEO),
McKinsey & Company

CHARLOTTE STRAND
Vice chairperson

(Independent)

Danish, born 1961

Other positions:
Evida (Chair), Per Aarsleff
(board member),
Faerch (board member),
Reventus Power
(board member),
Aibel (board member)

Previous experience:
Ørsted (SVP),
PostNord (board member),
Flügger (board member)

LOUISE CRUTTENDEN

(Independent)

British, born 1977

Other positions:
Real Handful Snacks
(board member),
Action4Youth
(board member)

Previous experience:
HUEL, Diageo,
Kimberly-Clark Corporation

JOHAN BÜLOW

Danish, born 1984

Other positions:
Founded LAKRIDS BY
BÜLOW in 2007

Previous experience:
Entrepreneur

PER FORSBERG

Swedish, born 1973

Other positions:
Partner at Valedo Partners,
Origio Group (board member),
Prosero Security (Chairman),
Twig Com (board member),
Pincho Nation (board member)

Previous experience:
EQT Partners



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FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

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CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2024

DKK '000	Notes	2024	2023
Revenue	3	**376,004**	**319,288**
Changes in inventory of finished goods and work in progress		10,565	(1,313)
Raw materials and consumables used	4	(93,552)	(65,514)
Gross Profit		**293,017**	**252,461**
Employee wage & compensation	5	(112,888)	(98,295)
Other external expenses		(115,458)	(95,555)
Earnings before amortisation and depreciation and before special items (EBITDA)		**64,671**	**58,611**
Depreciation and amortisation	7	(39,365)	(33,166)
Operating profit before special items (EBIT)		**25,306**	**25,445**
Special items	6	(2,127)	(2,752)
Operating profit (EBIT)		**23,179**	**22,693**
Financial income	8	3,110	1,464
Financial costs	8	(21,884)	(21,746)
Fair value adjustments of contingent consideration	16	(2,200)	(8,500)
Profit / (Loss) before tax		**2,205**	**(6,089)**
Income tax expense	9	(4,545)	(351)
Profit / (Loss) for the year		**(2,340)**	**(6,440)**

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2024

DKK '000	2024	2023
Profit / (Loss) for the year	(2,340)	(6,440)
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	383	(394)
Other comprehensive income for the year, net of tax	**383**	**(394)**
Total comprehensive income for the year	**(1,957)**	**(6,834)**

CONSOLIDATED BALANCE SHEET

as at 31 December 2024

DKK '000	Notes	2024	2023
Assets			
Non-current assets			
Intangible assets	10	415,051	415,661
Property, plant and equipment	11	47,388	45,875
Right-of-use assets	12	71,652	60,548
Other non-current assets		8,834	4,946
Deferred tax assets	13	6,443	7,410
Total non-current assets		**549,368**	**534,440**
Current assets			
Inventories	14	48,439	36,370
Trade receivables	17	29,651	25,142
Other receivables		919	68
Current tax assets		-	-
Prepayments		4,461	4,300
Cash and cash equivalents		29,868	23,681
Total current assets		**113,338**	**89,561**
Total assets		**662,706**	**624,001**

DKK '000	Notes	2024	2023
Equity			
Share capital	19	7,516	7,516
Share premium		354,596	354,596
Foreign currency translation reserve		(1,326)	(1,709)
Retained earnings		(52,898)	(47,455)
Total equity		**307,888**	**312,948**
Liabilities			
Non-current liabilities			
Borrowings	15	-	-
Lease liabilities	12	50,510	42,004
Provisions	21	2,878	2,878
Other payables		3,623	3,521
Total non-current liabilities		**57,011**	**48,403**
Current liabilities			
Borrowings and bank overdrafts	15	164,244	148,441
Trade payables		51,485	37,280
Lease liabilities	12	23,821	20,881
Current tax liabilities		3,679	3,897
Shareholder loans	15	15,766	14,051
Contingent consideration liability	16	14,500	12,300
Other payables		24,312	25,800
Total current liabilities		**297,807**	**262,650**
Total liabilities		**354,818**	**311,053**
Total equity and liabilities		**662,706**	**624,001**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

DKK '000	Share capital	Share premium	Foreign currency translation reserve	Retained earnings	Total equity
Equity at 1 January 2024	**7,516**	**354,596**	**(1,709)**	**(47,455)**	**312,948**
Other equity adjustments				(3,103)	(3,103)
Profit / (Loss) for the year	-	-	-	(2,340)	(2,340)
Other comprehensive income for the year	-	-	383	-	383
Total comprehensive income for the year	**-**	**-**	**383**	**(5,443)**	**(5,060)**
Sale of Warrants	-	-	-	-	-
Total transaction with owners	**-**	**-**	**-**	**-**	**-**
Equity at 31 December 2024	**7,516**	**354,596**	**(1,326)**	**(52,898)**	**307,888**
Equity at 1 January 2023	**7,516**	**354,596**	**(1,315)**	**(41,048)**	**319,749**
Profit / (Loss) for the year	-	-	-	(6,440)	(6,440)
Other comprehensive income for the year	-	-	(394)	-	(394)
Total comprehensive income for the year	**-**	**-**	**(394)**	**(6,440)**	**(6,834)**
Sale of Warrants	-	-	-	33	33
Total transaction with owners	**-**	**-**	**-**	**33**	**33**
Equity at 31 December 2023	**7,516**	**354,596**	**(1,709)**	**(47,455)**	**312,948**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

DKK '000	Notes	2024	2023
Operating profit		23,179	22,693
Adjustments for non-cash items, etc.			
- Depreciation and amortisation		39,365	33,166
Interest received		3,110	1,464
Interests paid		(20,147)	(14,975)
Income tax paid		(3,796)	(446)
Cash flow from operating activities before working capital changes		**41,711**	**41,902**
Change in working capital	18	(7,874)	18,417
Cash flow from operating activities		**33,837**	**60,319**
Purchase of intangible assets		(2,175)	(2,404)
Purchase of property, plant and equipment		(14,736)	(10,407)
Payments of rent deposits		(3,888)	(1,044)
Cash flow from investing activities		**(20,799)**	**(13,855)**
Principal elements of lease payments	15	(22,654)	(18,705)
Raising of borrowings	15	149,828	-
Change in borrowings	15	(134,025)	(21,522)
Sale of warrants		-	33
Cash flow from financing activities		**(6,851)**	**(40,194)**
Cash flow for the year		**6,187**	**6,270**
Cash and cash equivalents, beginning of the year		23,681	17,411
Cash and cash equivalents at end of the year		**29,868**	**23,681**

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lakrids JB Holding ApS is a limited liability company incorporated in Denmark. The principal activities through its subsidiaries (the Group) are to develop, manufacture and sell liquorice and products with liquorice flavour.

The consolidated financial statements of Lakrids JB Holding ApS and its subsidiaries ('the group') for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Board of directors and Executive Management on 13th March 2025.

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the group consisting of Lakrids JB Holding ApS and its subsidiaries.

Adjustment of comparative figures

In connection with the preparation of the Annual Report for 2024, Management realised that the Contingent consideration liability was overstated by DKK 23.1 million at 31 December 2023. Consequently, the comparative figures for 2023 have been restated. Fair value adjustment of the contingent consideration has been reduced by DKK 23.1 million. Similarly contingent consideration liability on the balance sheet has been reduced by DKK 23.1 million.

The adjustment of comparative figures for 2023 has resulted in a decrease of the loss for the year by DKK 23.1 million and an increase of equity with the same amount. Total assets and Total equity and liabilities are unchanged. The adjustment has no tax impact.

Basis of preparation

The consolidated financial statements of the group have been prepared in accordance with IFRS Accounting Standards as adopted by the EU as well as additional the Danish disclosure requirements applying to entities of reporting class C for medium enterprises.

The financial statements have been prepared on a historical cost basis, except for contingent consideration liabilities which are measured at fair value.

The consolidated financial statements are presented in Danish Kroner (DKK), as this is the parent company's functional currency. The financial statements have been rounded to the nearest thousand, except when otherwise stated.

New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the group. Lakrids JB Holding ApS expects to adopt these standards, amendments and interpretations when they become mandatory.

There are no standards that are not yet effective that would be expected to have a material impact on Lakrids JB Holding ApS in the current or future reporting periods and on foreseeable future transactions.

Principles of consolidation

Subsidiaries

The consolidated financial statements include the parent company and its subsidiaries. Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. This is generally established through holding of the majority of voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

Segment reporting

The group is operated as a single entity without any internal reporting structure below consolidated level. Consequently, no segment reporting is provided.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. They are deferred in equity if they form part of the net investment in a foreign operation.

Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency (DKK) are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold the cumulative exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Revenue recognition

The group's income is generated mainly by the sale of liquorice and products with

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

liquorice flavour. Revenue is recognised when control is transferred to the customer, generally being at the point in time of delivery. Revenue is recognised at the transaction price being the gross consideration less any discounts and amounts collected on behalf of third parties.

A substantial part of the sales transactions comprises transportation by a third party. In most transactions, the group has responsibility vs. the customer for the transportation service. Consequently, freight is considered a separate performance obligation resulting in freight income included in revenue and freight expenses classified as expenses. Local tax authorities impose multiple taxes, duties and fees. These include excise duties on sale or manufacturing of products comprising sugar and/or alcohol. Management has applied judgment when determining whether such taxes are amounts collected on behalf of the tax authorities or a production tax. The taxes are considered a production tax as they become payable when goods leave the production site or a bonded warehouse and are based on an per item value rather than the sales value. Further, the obligation to pay is independent of whether the receivable from the customer can be collected, and there is no explicit obligation to pass on any changes in the taxes to the customers. Consequently, these taxes are included in the line-item raw materials and consumables used.

Other operating income
Other operating income comprise items of a secondary nature to the main activities of the group. They mainly comprise of granted rent concessions. Further, gains on the sale of intangible assets and property, plant and equipment are classified as other operating income.

Changes in inventories of finished goods and work in progress
Comprises the change in the carrying amount of finished goods for the year.

Raw materials and consumables used
Expenses for raw materials and consumables comprise the raw materials and consumables consumed for the year.

Employee benefits
Employee benefits comprise wages and salaries as well as payroll related expenses. Wage compensation has been set-off in employee benefits.

Other external expenses
Other expenses comprise of various operating expense such as manufacturing overheads, premise costs etc, various administrative costs.

Special items
Material items of a non-recurring nature are presented as Special items to distinguish them from items which relate to the Group's ordinary operations or investment in future activities.

Depreciation and amortisation
Depreciation and amortisation comprise amortisation, depreciation and impairment of intangible assets, property plant and equipment and right of use assets.

Financial income and expenses
Net financials include interest income and expenses as well as interest calculated using the effective interest rate method, foreign currency gains and losses, interest on lease liabilities, fair value changes related to contingent consideration liabilities.

Income tax
The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and tax loss carry-forwards.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Property, plant and equipment
Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciations are calculated using the straight-line method, net of their residual

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

values over their estimated useful lives, as follows:

Leasehold improvements	2 - 10 years
Furniture, fittings and equipment	3 - 10 years
Assets under constructions	None

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss as other operating income/expenses.

Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.
The leases of the group consist mainly of property rentals.
Contracts may contain both lease and non-lease components. The group has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- payments in optional lease periods if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the group's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

For leases based on an index or rate, the change is included in the lease liability when they take effect. The amount of remeasurement of the lease liability is adjusted against the right of use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

The lease term comprises the minimum lease term with addition of optional lease periods which are considered reasonably certain to be exercised.

Payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss under the line-item Other operating expenses. Short-term leases are leases with a lease term of 12 months or less.

Rent concessions are treated as lease modifications.

Intangible assets

Goodwill
Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for any previous interest held over the identifiable assets acquired and liabilities assumed.

Goodwill is not amortised but is tested for impairment annually, or more frequently, if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relation to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash-generating units that are expected to benefit from the business combination in which goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, however not higher than an operating segment. The Group is considered one operating segment and consequently, goodwill is tested for impairment at Group level.

Completed development projects
Intangible assets include in progress and completed development projects.

They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. Development costs that are directly attributable to the design and testing of identifiable and unique IT projects controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the projects include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the software is ready for use.

Costs associated with maintaining IT-plat-

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

forms are recognised as an expense as incurred.

Amortisation methods and useful lives
The group amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Completed development projects 5-10 years

Other non-current assets
Other non-current assets consist of rent deposits.

Impairment of assets
Goodwill and development projects in progress are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-current assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Inventories
Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, and cost of raw materials, consumables, freigth costs to the inventory location and direct labour and those overheads that have incurred in bringing the present location and condition. These costs are assigned on the basis of first-in-first-out (FIFO) method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Trade receivables
Trade receivables are recognised initially at the transaction price and subsequently measured at the transaction price less loss allowance.
The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

See note 17 for a description of the group's impairment policies for trade receivables.

Prepayments
Prepayments recognised as an asset comprise prepaid expenses regarding subsequent financial reporting years.

Cash and cash equivalents
Cash and cash equivalents comprise cash and bank balances.

Equity
Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Share premium
Premium on issue of ordinary shares are recognised as share premium.
Foreign currency translation reserve
Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed.

Liabilities
Financial liabilities
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Contingent consideration liabilities arising from business combinations are measured at fair value on each balance sheet date. The amount of remeasurement to fair value is included in financial items.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Provisions
Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not reognised for future operating losses. Provisions comprise of refurbishment obligations and are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Trade payables
These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Statement of cash flows
The cash flow statement shows the group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as share-

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

based payment expenses, depreciation, amortisation and impairment losses.

Working capital comprises current assets less short-term debt, excluding items included in cash and cash equivalents.

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt and principal element on lease payments as well as payments to and from shareholders.

Key figures

The financial ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts.

Note 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies. Further, when applying accounting policies, Management exercises judgement within certain areas.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of an error and of changes to previous estimates.

Accounting estimates

Impairment tests for goodwill
As disclosed in note 10, the recoverability of the carrying amount of goodwill, DKK 405 million, has been assessed based on an earnings multiple. Determining fair value of a DCF model. The DCF model is based on a 5-year forecast and the 2025 budget as approved by management and the Board of Directors.

Recognition of deferred tax assets
The deferred tax assets include an amount of 7.0 MDKK which relates to carried-forward tax losses of 31.8 MDKK. The group has concluded that the deferred assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets. The losses can be carried forward indefinitely and have no expiry date.

Contingent consideration liability
The group has a liability to pay 50 MDKK + a fixed annual increment of 3 MDKK to the former controlling shareholder if upon an exit, the controlling shareholder achieves a certain minimum return. Fair value measurement of the liability is associated with significant estimation uncertainty. The most critical assumptions are the current equity value, the expected term and the share price volatility. Refer to note 16 for further information.

Judgements

Determining the lease term
The group has a number of "Evergreen" property leases where the lessor does not have the practical ability to terminate the lease. The assessment of the determined lease term is based on extension- and termination options exercised in the past as well as unexpected events. If the lease is not terminated upon expiry of the initial lease term as determined by Management, the lease term is reassessed. Refer to note 12 for further information.

Note 3 REVENUE

DKK '000	2024	2023
The group's revenue can be attributed to the following sales channels:		
E-commerce	124,447	108,229
Own retail	117,416	92,250
Business-to-business	134,141	118,809
	376,004	**319,288**

The group's revenue can be attributed to the following countries based on the location of the customer:

DKK '000	2024	2023
Denmark	101,373	95,804
Rest of Nordics	77,166	75,445
DACH	138,693	106,326
USA	21,228	10,678
UK	18,384	9,670
Rest of world	19,160	21,365
	376,004	**319,288**

The DACH region refers to the three Central European countries of Germany (D), Austria (A), and Switzerland (CH).

Note 4 RAW MATERIALS AND CONSUMABLES USED

DKK '000	2024	2023
Sugar tax	8,287	7,983
Raw materials and packaging	74,741	49,567
Other production costs	10,524	7,964
	93,552	**65,514**

Note 5 EMPLOYEE BENEFITS

DKK '000	2024	2023
Wages and salaries	98,827	88,955
Defined contribution plans	4,218	2,859
Other social security costs	3,054	1,975
Other staff costs	6,789	4,506
	112,888	**98,295**
Employee benefits segmentation		
Production	21,817	18,450
Sales and marketing	67,663	58,100
Administration	23,408	21,745
	112,888	**98,295**
Average number of employees	244	171

Key management personnel compensation

Key management personnel consist of the Executive Board, the Board of Directors and Other key management. The compensation paid or payables to key management personnel for employee services is shown below:

DKK '000	Other Key management	Executive Management	Board of Directors
2024			
Short term benefits	5,510	5,363	-
Defined contribution plans	194	123	-
Board compensation	-	-	1,250
Total	**5,704**	**5,486**	**1,250**
2023			
Short term benefits	5,924	5,376	-
Defined contribution plans	117	28	-
Board compensation	-	-	1,250
Total	**6,041**	**5,404**	**1,250**

Total remuneration to registered Executive Management and the Board of Directors in Lakrids JB Holding ApS is shown below:

DKK '000	2024	2023
Executive Management	5,486	5,404
Board of Directors	1,250	1,250
	6,736	**6,654**

Management options

In December 2023, shareholders of the parent company granted 66,000 options over shares in the parent company to certain members of the Board of Directors and Executive Management at a consideration of 0.84 DKK per option. The Board member received 33,000 options and executive management received 33,000 options. One option entitles the holders to acquire one B-share of the parent company at an exercise price of 0.01 DKK.

The options are exercisable only upon an exit event resulting in an equity value of at least 750 MDKK and subject to continued employment. The options expire on 31 December 2026.
The consideration paid is equal to fair value at grant date, and consequently, no expense has been recognised.

Fair value has been determined based on a black scholes option pricing model taking into account the preference value attributable to A-shares disclosed in note 19. The main assumptions applied are:

Equity value	181 MDKK
Expected share price volatility	47%
Expected term:	
Probability weighted between	1.1 – 3.6 years

Warrant program

Seven key employees have been granted 24,250 warrants over shares in the parent company for a consideration of 1.372 DKK per warrant. One warrant entitles the holders to subscribe one B-share of the parent company at an exercise price of 1.00 DKK.

The options are exercisable only upon an exit event resulting in an equity value of at least 550 MDKK and subject to continued employment. The options expire on 31 December 2026.

The consideration paid is equal to fair value at grant date, and consequently, no expense has been recognised.

Fair value has been determined based on a black scholes option pricing model taking into account the preference value attributable to A-shares disclosed in note 19. The main assumptions applied are:

Equity value	181 MDKK
Expected share price volatility	47%
Expected term:	
Probability weighted between	1.1 – 3.6 years

Note 6 OTHER EXTERNAL EXPENSES

In 2024, special items include non-recurring transaction costs of DKK 2,147 thousand. The non-recurring transactions costs relate to professional and legal fees associated with corporate financing activities.

In 2023, Special items include restructuring costs of DKK 2,752 thousand as the Group carried out a restructuring project as part of the focus on cost and efficiency.
Hereof DKK 2.575 thousand relates to other personnel costs.

Adjusted underlying EBIT (non-IFRS)
Adjusted EBIT is defined as EBIT (earnings before interest and tax) adjusted to exclude these special items.
Management believes that this adjusted measure of performance should be seperately disclosed to understand the underlying operating of the group.

DKK '000	2024	2023
Operating profit (EBIT)	23,179	22,693
Special items	2,127	2,752
Adjusted EBIT (non-IFRS)	**25,306**	**25,445**

Note 7 DEPRECIATION, AMORTISATION AND IMPAIRMENT

DKK '000	2024	2023
Depreciation of property, plant and equipment	13,604	12,152
Depreciation of right-of-use assets	22,976	18,770
Amortisation of intangible assets	2,785	2,491
Loss on disposals	-	(247)
	39,365	**33,166**

Note 8 FINANCIAL INCOME AND EXPENSES

DKK '000	2024	2023
Financial income		
Interest income	1,818	1,406
Foreign exchange rate gains	1,292	58
Total financial income	**3,110**	**1,464**
Financial expenses		
Interest expense borrowings	18,547	19,084
Interest expense on lease liabilities	2,228	1,628
Foreign exchange rate losses	1,109	1,034
Total financial expenses	**21,884**	**21,746**

Note 9 INCOME TAX EXPENSE

DKK '000	2024	2023
Current tax		
Current tax on profits for the year	1,424	2,782
Adjustments for current tax of prior periods	2,154	(399)
Deferred income tax	400	(2,032)
Adjustment of deferred tax of prior periods	567	-
Income tax expense	**4,545**	**351**

Reconcilliation of effective tax rate

DKK '000	2024	2023
Calculated 22% (2023: 22%) tax on income for the period before income tax	1	(6,422)
Less tax in foreign group entities compared with 22% rate (2023: 22%)	383	208
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
Fair value adjustments of contingent consideration liability	968	6,952
Non-deductible expenses	472	12
Adjustments for current tax of prior periods	2.154	(399)
Adjustments for deferred tax of prior periods	567	
Changes in unrecognised deferred tax assets	-	-
Income tax expense	**4,545**	**351**

Note 10 INTANGIBLE ASSETS

DKK '000	Goodwill	Completed development projects	Development projects in progress	Total
Cost				
At 1 January 2024	404,844	17,598	2,115	424,557
Additions		2,175	-	2,175
Transfers		2,055	(2,055)	-
Disposals	-	-	-	-
At 31 December 2024	**404,844**	**21,828**	**60**	**426,732**
Accumulated amortisation and impairment				
At 1 January 2024	-	8,896	-	8,896
Amortisation charge	-	2,785	-	2,785
Impairment	-	-	-	-
At 31 December 2024	**-**	**11,681**	**-**	**11,681**
Carrying amount 31 December 2024	**404,844**	**10,147**	**60**	**415,051**
Cost				
At 1 January 2023	404,844	13,005	4,304	422,153
Transfers from property plant and equipment	-	2,404	-	2,404
Additions	-	2,189	(2,189)	-
Transfers	-	-	-	-
Disposals	-	-	-	-
At 31 December 2023	**404,844**	**17,598**	**2,115**	**424,557**
Accumulated amortisation and impairment				
At 1 January 2023	-	6,405	-	6,405
Amortisation charge	-	2,491	-	2,491
Impairment	-	-	-	-
At 31 December 2023	**-**	**8,896**	**-**	**8,896**
Carrying amount 31 December 2023	**404,844**	**8,702**	**2,115**	**415,661**

Development projects

Development projects comprises the cost directly related to the further development of ERP applications, reporting tools and web-shop. The group estimates the remaining useful life of the development projects to be 5-10 years.

Assumptions for impairment tests for goodwill

The Group is operated as a single entity, and consequently only one operating segment has been identified and consequently, goodwill is not allocated for impairment testing purposes.

Management has performed an impairment test for goodwill as of 31 December 2023 and 31 December 2024 respectively. The group comprises one operating segment and goodwill is not monitored for internal management purposes at any lower level. Consequently, goodwill is attributed to the Group as a whole. The carrying amount of goodwill is DKK 405 million at each balance sheet date.

Intangible assets

The Group determines value-in-use based on a 5 year forecast period based on a 2025 budget approved by Management and the Board of Directors.

The key assumptions for determining the forecasted cash flows are:

1. Revenue development
2. EBITDA margin

Management expects an increase in revenue in the first years of the forecast period with a decrease down to terminal period growth rate of 2.5% (2023: 2.5%). Management expects an increasing EBITDA margin in the forecast period. The expectations to revenue growth and the EBITDA margin are primarily based on the current markets and sales channels and expectations to additional sales. The expectations to the development in these assumptions are based on historical experience. The terminal period growth rate is determined on the basis of general global growth expectations. The Management has applied a discount rate of 13% (2023: 12.5%) after tax based on what market participants would require in return for investments in similar entities.

Based on the impairment test performed, Management has concluded that the recoverable amount of goodwill exceeds the carrying amount.

Note 11 PROPERTY, PLANT AND EQUIPMENT

DKK '000	Leasehold improve-ments	Other fixtures, fittings and equip-ment	Plant and equipment in progress	Total
Cost				
At 1 January 2024	57,634	55,546	1,327	114,507
Transfers to intangible assets	-	-	-	-
Additions	11,097	3,639	-	14,736
Transfers	-	-	-	-
Disposals	(26)	-	-	(26)
Exchange differences	156	-	65	221
At 31 December 2024	**68,861**	**59,185**	**1,392**	**129,438**
Accumulated amortisation and impairment				
At 1 January 2024	37,851	30,781	-	68,632
Transfers to intangible assets	-	-	-	-
Depreciation charge	7,061	6,543	-	13,604
Disposals	-	-	-	-
Exchange differences	104	(290)	-	(186)
At 31 December 2024	**45,016**	**37,034**	**-**	**82,050**
Carrying amount 31 December 2024	**23,845**	**22,151**	**1,392**	**47,388**

DKK '000	Leasehold improve-ments	Other fixtures, fittings and equip-ment	Plant and equipment in progress	Total
Cost				
At 1 January 2023	49,325	54,983	1,678	105,986
Transfers to intangible assets	-		-	-
Additions	8,501	563	1,343	10,407
Transfers	-	-	-	-
Disposals	(9)	-	(1,732)	(1,741)
Exchange differences	(183)	-	38	(145)
At 31 December 2023	**57,634**	**55,546**	**1,327**	**114,507**
Accumulated amortisation and impairment				
At 1 January 2023	31,430	25,121	-	56,551
Transfers to intangible assets	-	-	-	-
Depreciation charge	6,492	5,660	-	12,152
Disposals	(5)	-	-	(5)
Exchange differences	(66)	-	-	(66)
At 31 December 2023	**37,851**	**30,781**	**-**	**68,632**
Carrying amount 31 December 2023	**19,783**	**24,765**	**1,327**	**45,875**

Note 12 LEASES

DKK '000	2024	2023
Amounts recognised in the balance sheet		
The balance sheet shows the following amounts relating to leases:		
Right-of-use assets		
Properties	70,736	58,691
Vehicles	916	1,857
	71,652	**60,548**
Additions to the right-of-use assets during the financial year	32,717	42,561
Lease liabilities		
Current	23,821	20,881
Non-current	50,510	42,004
	74,331	**62,885**
Amounts recognised in the statement of profit and loss		
The statement of profit or loss shows the following amounts relating to leases:		
Depreciation charge of right-of-use assets		
Properties	22,446	18,087
Vehicles	530	683
	22,976	**18,770**
Interest expense on lease liabilities	2,228	1,628
Expense relating to leases of low-value assets	-	-
Expense relating to variable lease payments not included in lease liabilities	3,433	3,659
Total cash outflow for leases	22,654	18,705

The Group leases various properties and vehicles.

A substantial part of the group's lease contracts comprises of property leases. The vast majority of the contracts have extension options and are considered non-cancelable from the perspective of the lessor. In general, the Group can terminate the leases with short term notice and taken in consideration the degree of historic exercise of extension- and termination options as well as unexpected events, it is the Group's assessment that the remaining lease term with reasonably certainty will be 5 years from the initiation of the property leases. The group reassesses the lease term upon the occurrence of either a significant event or significant changes in circumstances that are within the control of the group.

In general, other property leases with fixed terms consists of a remaining non-cancellable period between 3 and 8 years as of 31 December 2024. These contracts contain renegotiation clauses effective upon expiry of the original lease term.

All other leases are fixed term leases with a 12 to 60 month fixed time span.

The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Note 13 DEFERRED TAX

DKK '000	2024	2023
Deferred tax		
Deferred tax at the beginning of period	7,410	5,378
Deferred tax recognised in the statement of profit or loss	(967)	2,032
Deferred tax at year end	**6,443**	**7,410**
Deferred tax relates to:		
Intangible assets	(2,246)	(2,380)
Property, plant and equipment	2,733	731
Right-of-use assets	589	514
Tax losses carried forward	7,005	10,309
Other	(1,638)	(1,764)
Total	**6,443**	**7,410**
Deferred tax asset, recognised		
Of which presented as deferred tax assets	6,443	7,410
Of which presented as deferred tax liabilities	-	-
Deferred tax asset not recognised in the balance sheet	-	-
Deferred tax at 31 December	**6,443**	**7,410**

In line with the requirements if IAS 12, the deferred tax assets and liabilities are offset as they have a legal right to set off and relate to income tax with the same taxation authority.

The recogonised tax assets that relates to tax losses carried forward, which is the result of previous years taxable income, mainly relates to tax losses carry forwards in Denmark. In connection with the assessment of the utilisation of the tax assets, special emphasis has been placed on that the most significant tax loss carry forward are in Denmark, where the group is well established, and this operation is expected to generate positive results going forward.

Note 14 INVENTORIES

DKK '000	2024	2023
Raw materials and packaging materials	17,610	16,106
Finished goods	30,828	20,264
Allowance for obsolete inventory	-	-
Total inventories	**48,439**	**36,370**

Note 15 BORROWINGS

	2024		
DKK '000	Current	Non-current	Total
Facility agreements	110,000	-	**110,000**
Bank overdrafts	54,244	-	**54,244**
Shareholder loans	15,766	-	**15,766**
	180,010	-	**180,010**

	2023		
DKK '000	Current	Non-current	Total
Facility agreements	146,891	-	**146,891**
Bank overdrafts	1,550	-	**1,550**
Shareholder loans	14,051	-	**14,051**
	162,492	-	**162,492**

Facility agreements

A new bilateral loan agreement with Sydbank has been signed and closed in Q1 2024. The loan agreement with Sydbank is 1 loan agreement of 110m DKK and an overdraft facilty of 80m DKK. The loan agreement holds 2 covenants. Equity ratio of minimum 30% and Net debt to EBITDA. Net debt to EBITDA to be below 3.30x at 31.12.2024 and below 2.50x at 31.12.2025.

End September 2024, the loan was restructured according to the loan agreement, increasing short term overdraft facility in Lakrids by Bülow A/S by DKK 40 million to DKK 80 million and reducing the long term facility in Lakrids JB Holding Aps equivalently to DKK 110 million as a debt pushdown into Lakrids by Bülow A/S.

The Group experienced a covenant breach of 0.09x net debt to EBITDA at the balance sheet date. The breach has been waived by Sydbank after the balance sheet date. The debt is therefore classified as current.

Bank overdrafts

The bank overdraft facilities are common short-term facilities.

Shareholder loans

In September 2018, the Group entered into a shareholder loan denominated in DKK. The loan bears a combination of fixed annual interest rates of 10% (cash interests) and 12,5% (paid in kind interests). The loan has no stated maturity but will become due upon an exit by the controlling shareholder.

Fair value is estimated not to differ significantly from the carrying value.

Note 15 **BORROWINGS** (continued)

Changes in liabilities arising from financing activities

This section sets out an analysis of liabilities arising from financing activities and the movements in each of the periods presented

DKK '000	1 January 2024	Cash flows	New loans	Non-cash changes: New leases*	Non-cash changes: Changes in fair value	Non-cash changes: Changes in foreign exchange rates	Non-cash changes: Other changes**	31 December 2024
Borrowings, current and non-current	148,441	134,025	149,828		-	-	-	164,416
Lease liabilities	62,885	(22,654)	-	32,717		1,383	0	74,331
Loan from shareholders	14,051	-	-	-		-	1,715	15,766
Contingent consideration liability	12,300	-	-	-	2,200	-	-	14,500
Total liabilities from financing activities	**237,677**	**(118,906)**	**109,828**	**32,717**	**2,200**	**1,383**	**3,942**	**271,213**

DKK '000	1 January 2023	Cash flows	New loans	Non-cash changes: New leases*	Non-cash changes: Changes in fair value	Non-cash changes: Changes in foreign exchange rates	Non-cash changes: Other changes**	31 December 2023
Borrowings, current and non-current	168,116	(21,522)	-	-	-	(1,008)	2,855	148,441
Lease liabilities	39,233	(18,705)	-	42,561	-	(204)	0	62,885
Loan from shareholders	12,679	-	-	-	-	-	1,372	14,051
Contingent consideration liability	3,800	-	-	-	8,500	-	-	12,300
Total liabilities from financing activities	**223,828**	**(41,855)**		**42,561**	**8,500**	**(1,212)**	**5,855**	**237,677**

* New leases include remeasurements.
**Other changes include non-cash movements such as accrued interest expense.

Note 16 CONTINGENT CONSIDERATION

Contingent consideration liabilities
When acquiring the Lakrids by Johan Bülow Group in 2016, part of the consideration was agreed to be contingent upon Valedo's gain on a subsequent initial public offering of the group, sale of the group or an event under which Valedo, indirectly loses control over the group.

The payment amounts to 50 MDKK + a fixed annual increment of 3 MDKK and becomes payable if Valedo's cash-on-cash return is at least 2.0x invested capital.

Fair value of the liability is determined based on a Monte-Carlo simulation including 20.000 * 30 simulations. The simulation is based on assumptions about the current share price, mean share return, the expected share price volatility and the expected term.

Fair value of the shares has been determined based on an earnings multiple.

Due to the fact that the share of the company is not traded, it is not possible to observe historical share price volatility. Expected volatility has therefore been determined based on historical volatility for a Group of listed entities comparable in respect of activities adjusted for difference in size, leverage etc. for a period equal to the expected term.

In outcomes where the share price as of the valuation date is less than twice the original share price, the assumption is made that Valedo will hold the investment for an additional year or 2.

Fair value is determined mainly based on unobservable input (level 3).

The following assumptions have been applied:

	31 December 2024	31 December 2023
Share price, % of original investment	103,4%	92,9%
Expected volatility	57,5%	62,5%
Expected exit date	30 June 2025 – 30 June 2027	30 November 2024 - 30 April 2026

Fair value is based mainly on unobservable input.

The movement in the carrying amount of the liability is set out below:

	2024	2023
Beginning of year	12,300	3,800
Fair value adjustment recognised as a financial expense	2,200	8,500
End of year	**14,500**	**12,300**

Fair value of the liability is sensitive to a number of assumptions. The below table sets out the change arising from reasonably possible changes in assumptions

	31 December 2024	31 December 2023
Share price + / - 20%	6,617,642 / (5,651,284)	5,018,812 / (4,567,833)
Expected volatility + / - 10%	1,534,656 / (2,291,064)	1,204,923/ (1,891,338)
Expected term + / - 1 year	2,534,423	1,501,041

Note 17 FINANCIAL RISK MANAGEMENT

The group's principal financial liabilities comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the group's operations. The group's principal financial assets include trade receivables, and cash and cash equivalents.

The group is exposed to market risk (interest rate and foreign exchange rate), credit risk and liquidity risk. The group's management oversees the management of these risks on an ongoing basis and responds to those risks as appropriate.

Market risk

Interest rate risk

Interest rate risk is that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk is expected to be approx. DKK 1.5 million (2023: DKK 1.5 million) impact on financial items at +/- 1% market interest rate change.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a balance sheet exposure will fluctuate because of changes in foreign exchange rates.

The group generates its sales primarily in DKK, EUR, NOK, SEK, AED, GBP and USD. Purchases directly attributable to the sales are primarily made in DKK and consequently, foreign currency risk arises when sales are generated in a different currency than DKK. Due to the fixed DKK/EUR exchange rate policy, the exposure to foreign currency is primarily considered to arise from sales in NOK, SEK, AED, GBP and USD

The following table demonstrates the sensitivity to a reasonably possible change in foreign exchange rates. With all other variables held constant, the group's profit is affected as follows:

	Impact on post tax profit	
DKK '000	**2024**	**2023**
DKK/NOK exchange rate - increase 10%	532	758
DKK/NOK exchange rate - decrease 10%	(532)	(758)
DKK/SEK exchange rate - increase 10%	59	155
DKK/SEK exchange rate - decrease 10%	(59)	(155)
DKK/GBP exchange rate - increase 10%	397	354
DKK/GBP exchange rate - decrease 10%	(397)	(354)
DKK/USD exchange rate - increase 10%	547	248
DKK/USD exchange rate - decrease 10%	(547)	(248)
DKK/AED exchange rate - increase 10%	1.031	825
DKK/AED exchange rate - decrease 10%	(1.031)	(825)

The impact above sensitivity analysis is based on the financial assets and financial liabilities recognised as of 31 December 2024.

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

Risk management

Credit risk is managed on a group basis.

The most significant counterparty risk related is related to deposits with banks and financial institutions, as the groups cash balance at 31 December 2024 amounts to DKK 29.9 million (2023: DKK 23.7 million). To mitigate this risk, the group only enters into money market deposits with financial counterparties processing a satisfactory long-term credit rating from an internationally recognised agency (credit rating of minimum investment grade equivalent). The carrying amounts represents the maximum credit exposure.

Financial risk management

Sales to retail customers are required to be settled in cash or using major credit cards. Online sales require to be settled using credit cards, both mitigating credit risk.

Hence, majority of our credit risk from trade receivables originates from our B2B sales.

Payments are generally due for settlement within 30 days after invoice date, and are therefore classified as current. Due to the short-term nature of the current receivables, the carrying amounts is considered to approximate the fair value.

The group has historically not incurred any material losses from trade receivables.

Note 17 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Maturities of financial liabilities

The amounts disclosed in the following table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities DKK '000	Less than 1 year	Between 1-5 years	More than 5 years	Total contractual cash flows	Carrying amount
At 31 December 2024					
Trade payables	51,485			**51,485**	51,485
Borrowings*	164,416		-	**164,416**	164,416
Shareholder loans*	15,766			**15,766**	15,766
Contingent consideration liability*	75,400	-		**75,400**	14,500
Lease liabilities	24,140	50,915	3,678	**78,733**	74,331
	331,207	**50,915**	**3,678**	**385,800**	**322,698**
At 31 December 2023					
Trade payables	37,280	-	-	**37,280**	37,280
Borrowings	148,441	-	-	**148,441**	148,441
Shareholder loans*	14,051	-	-	**14,051**	14,051
Contingent consideration liability*	72,350	-	-	**72,350**	12,300
Lease liabilities	21,547	43,563	6,553	**71,663**	62,885
	293,669	**43,563**	**6,553**	**343,785**	**274,957**

* As described in note 16 "Contingent consideration", the liability is due to be settled upon Valedo's realisation of its investment with 50 MDKK + a fixed annual increment of 3 MDKK. Therefore, the liability is presented with the amount due should an exit resulting in Valedo obtaining the specified return occur as of this point in time. The shareholder loan will also become due for payment upon an exit event.

The group expect to generate sufficient liquidity from its operations to settle the obligations as they fall due. Information about how the group manages capital is set out in note 22 "Capital management".

The group holds the following financial instruments:

DKK '000	2024	2023
Financial assets		
Financial assets at amortised cost		
Trade receivables	29,220	25,142
Cash and cash equivalents	29,868	23,681
Other receivables	1,091	68
	60,179	**48,891**
Financial liabilities		
Liabilities at amortised cost		
Trade payables	51,485	37,280
Borrowings	164,416	148,441
Lease liabilities	74,331	62,885
Shareholder loans	15,766	14,051
	305,998	**262,657**
Liabilities at fair value through profit or loss		
Contingent consideration liability	14,500	12,300
	14,500	**12,300**

For financial assets and liabilities of short-term nature, such as trade receivables and trade payables, the carrying amount approximates fair value.

Note 18 CASH FLOW SPECIFICATIONS

DKK '000	2024	2023
Chang in working capital		
Change in inventories	(15,172)	8,275
Change in receivables	(5,521)	(721)
Change in trade payables and other payables	12,819	10,863
	(7,874)	**18,417**

Note 19 SHARE CAPITAL

	2024 Number of shares	2024 Nominal value DKK	2023 Number of shares	2023 Nominal value DKK
The share capital comprises:				
A-shares	5,143,541	5,143,541	5,143,541	5,143,541
B-shares	2,372,580	2,372,580	2,372,580	2,372,580
Share capital (fully paid)	**7,516,121**	**7,516,121**	**7,516,121**	**7,516,121**

Note 19 SHARE CAPITAL (continued)

	A-shares		B-shares	
	2024 Number of shares	2023 Number of shares	2024 Nominal value DKK	2023 Nominal value DKK
Changes in share capital				
Opening balance	5,143,541	5,143,541	2,372,580	2,372,580
Total	**5,143,541**	**5,143,541**	**2,372,580**	**2,372,580**

All shares have nominal value of DKK 1.

All shares have equal voting rights. A-shares have a preferential dividend and liquidation right comprising the amount paid in + 10% interest p.a. Holders of B shares are entitled to Proceeds in excess of the A-share preference amount.

Furthermore we also refer to note 5 in respect to warrants issued to key employees.

Note 20 INTERESTS IN OTHER ENTITIES

The group's principal subsidiaries at year end are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

		Ownership interests held by the group	
	Place of business	2024	2023
Name of entity			
Lakrids JB ApS	Denmark	100%	100%
Lakrids by Johan Bülow A/S	Denmark	100%	100%
Lakrids by Johan Bülow GmbH	Germany	100%	100%
Lakrids by Johan Bülow Norge AS	Norway	100%	100%
Lakrids by Johan Bülow AB	Sweden	100%	100%
Lakrids by Johan Bülow OY	Finland	100%	100%
Lakrids by Johan Bülow Dubai	Dubai	48.52%	48.52%
Lakrids by Bülow Inc.	USA	100%	100%
Lakrids by Bülow Ltd.	United Kingdom	100%	100%

Note 21 PROVISIONS

DKK '000	2024	2023
Refurbishment obligation		
At 1 January	2,878	2,878
Additional provisions recognised	-	-
Carrying amount 31 December	**2,878**	**2,878**

The group is required to restore the leased premises of its retail stores to their original condition at the end of the respective lease term. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised as part of the cost of leasehold improvements and are amortised over the shorter of the term of the lease and the useful life of the asset.

Note 22 CAPITAL MANAGEMENT

The group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to aid such objectives Management prepares cash flow forecast regularly. This enables Management to act in due time in order to comply with the capital management objectives.

The Group was technically in a minor breach of its leverage covenant as of 31st Dec 2024, however, a waiver was signed by Sydbank in early Feb 2025, mitigating the covenant breach.

Note 23 CONTINGENT LIABILITIES, COMMITMENTS, AND CONTINGENCIES

	2024	2023
Corporate mortgage as security for bank debt	30,000	3,000
The group has committed to suppliers in the following year to buy raw materials for a total of	13,085	9,700
Charges and security		
The parent company has provided shares in the subsidiaries, Lakrids JB ApS and Lakrids by Johan Bülow A/S, as security for group debt to credit institutions	159,137	147,556

Note 24 RELATED PARTY TRANSACTIONS

The group is controlled by Valedo Partners Fund II AB, which is also the ultimate controlling party.

Information about remuneration to key management personnel has been disclosed in note 5 “Employee benefits”.

Lease liability from entities with significant influence

The group has commenced into a lease agreement with entities with significant influence with monthly rental payments. The group can terminate the lease on 1 September 2026 at the earliest and the lessor can terminate the lease on 1 September 2030 at the earliest. The lease agreement is recognised as a lease liability in the balance sheet based on a 3% incremental borrowing rate.

Transactions and outstanding balances from related parties

	2024	2023
Beginning of the year	7,461	10,060
Remeasurement	-	-
Interests on lease liability	178	256
Rental payments	(2,883)	(2,855)
End of year	**4,756**	**7,461**
Loan from entities with significant influence		
Beginning of the year	14,051	12,679
Loan repayments	-	-
Interests accrued on loans	1,715	1,372
Interest paid	-	-
Conversion of loans to equity	-	-
End of year	**15,766**	**14,051**

Terms and conditions
Loan from entities with significant influence has no stated maturity but will become due upon an exit of the controlling shareholder. The loan is subordinated to the bank debt and bears a combination of annual interest rate of 10% (cash interest) and 12,5%% (paid in kind interest).

Contingent consideration liabilities with entities with significant influence

A contingent consideration agreement has been made with entities with significant influence. Terms and conditions, commitments and outstanding balances are disclosed in note 16 “Contingent consideration liabilities”

Note 25 SUBSEQUENT EVENTS

No other events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

FINANCIAL STATEMENTS OF THE PARENT COMPANY

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STATEMENT OF PROFIT OR LOSS (PARENT)

for the year ended 31 December 2024

		Group	
DKK '000	**Notes**	**2024**	**2023**
Gross Profit		**132**	**1,841**
Employee wage & compensation	2	(2,263)	(2,077)
Profit before net financials		**(2,131)**	**(236)**
Finance income	3	422	406
Finance costs		(1,720)	(1,542)
Profit before tax		**(3,429)**	**(1,372)**
Income tax expense	4	332	320
Profit/(loss) for the year		**(3,097)**	**(1,052)**

BALANCE SHEET (PARENT)

as at 31 December 2024

		Parent	
DKK '000	Notes	2024	2023
Assets			
Investments in subsidiaries	5	338,000	338,000
Fixed asset investments		**338,000**	**338,000**
Fixed assets		**338,000**	**338,000**
Receivables from group enterprises		14,456	14,355
Deferred tax		1,116	1,112
Corporation tax		-	-
Prepayments		15	15
Receivables		**15,587**	**15,482**
Cash at bank and in hand		289	40
Currents assets		**15,876**	**15,522**
Total assets		**353,876**	**353,522**

		Parent	
DKK '000	Notes	2024	2023
Liabilities			
Share capital	6	7,516	7,516
Retained earnings		328,329	331,426
Total equity		**335,845**	**338,942**
Payables to group entities	7	15,766	14,051
Other payables		2,265	529
Short-term debt		**18,031**	**14,580**
Total debt		**18,031**	**14,580**
Total equity and liabilities		**353,876**	**353,522**

STATEMENT OF CHANGES IN EQUITY (PARENT)

for the year ended 31 December 2024

Parent

DKK '000	Share capital	Retained earnings	Total
Equity at 1. January 2024	7,516	331,426	338,942
Sale of warrants		-	-
Net profit/loss for the year	-	(3,097)	(3,097)
Equity at 31. December 2024	**7,516**	**328,329**	**335,845**

Note 1 ACCOUNTING POLICIES

The separate financial statements for the parent company ("the Parent") of the Group has been prepared in accordance with the Danish Financial Statements Act applying to medium enterprises of reporting class C.

The Parent Company Financial Statements for 2024 are presented in thousands of Danish kroner (TDKK).

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts earlier recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

All contracts are considered and classified as operating lease. Lease payments are recognised in the statement of profit or loss on a straight-line-basis over the lease term.

Income statement

Revenue
Revenue from the sale of services is recognised when the risks and rewards relating to the services sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses
Other external expenses comprise costs for administration, office, etc.

Gross profit
With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and other external expenses.

Employee benefits
Staff expenses comprise wages and salaries as well as payroll expenses and salary related expenses.

Financials
Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year
Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance sheet

Investments in subsidiaries
Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Receivables
Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments
Prepayments recognised as assets comprise prepaid expenses.

Deferred tax assets and liabilities
Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities
Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debt
Financial debts are measured at amortised cost, substantially corresponding to nominal value.

Cash flow statement
No cash flow statement has been prepared for the parent company, as the parent company's cash flows are included in the cash flow statement for the group.

Note 2 EMPLOYEE BENEFITS

	Parent	
DKK '000	2024	2023
Wages and salaries	**2,187**	**2,070**
Defined contribution plans	71	-
Other social security costs	3	3
Other employee benefit costs	2	4
	2,263	**2,077**
Average number of employees	**1**	**1**

Management remuneration in Lakrids JB Holding ApS is shown below:

	Parent	
DKK '000	2024	2023
Executive Management	2,263	2,077
	2,263	**2,077**

Refer to note 6 in the consolidated financial statements for more information about Management remuneration.

Note 3 FINANCIAL INCOME

	Parent	
DKK '000	2024	2023
Interests from group entities	422	406
	422	**406**

Note 4 TAX ON PROFIT/LOSS FOR THE YEAR

	Parent	
DKK '000	2024	2023
Current tax for the year	(287)	(302)
Deferred tax for the year	(228)	(145)
Adjustment of deferred tax of prior years	183	127
Total	**(332)**	**(320)**

Note 5 INVESTMENTS IN SUBSIDIARIES

	Parent	
DKK '000	2024	2023
Cost at 1 January	338,000	338,000
Carrying amount 31 December	**338,000**	**338,000**

Investments in subsidiaries are specified as follows:

Name:	Lakrids JB ApS
Place of registered office:	Hvidovre
Share capital:	DKK 6.810.000
Votes and ownership:	100%
Equity:	DKK 332,217,459
Profit or loss for the year:	DKK 37,353,639

Refer to note 20 in the consolidated financial statements for the subsidiaries of the group.

Note 6 SHARE CAPITAL

Refer to note 19 in the consolidated financial statement for an overview of the changes in share capital.

Note 7 LONG-TERM DEBT

Payments due within 1 year are recognised as short-term debt. Other debt is recognised as long-term debt.

The debt falls due for payment as specified below:

	Parent	
DKK '000	**2024**	**2023**
Payables to group entities		
Between 1 and 5 years	-	-
Long-term part	**-**	**-**
Within 1 year	15,766	14,051
	15,766	**14,051**

Note 8 COMMITMENTS AND CONTINGENT LIABILITIES

The Company has provided shares in the subsidiary, Lakrids JB ApS, as security for group companies debt to Sydbank. At 31 December 2024, the bank debt amounted to TDKK 159,137.

The company is jointly and severally liable for group enterprises bank debt to Sydbank. At 31 December 2024, the bank debt amounted to TDKK 159.137.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.
Refer to note 23 in the consolidated financial statements for more information.

Note 9 RELATED PARTIES

Refer to note 24 in the consolidated financial statements for more information about related parties.

Consolidated Financial Statements:
The seperate financial statements and the consolidated financial statements of Lakrids JB Holding ApS are included in the ultimate controlling party's consolidated financial statements:

Name:	Place of registered office
Valedo Partners Fund II AB	Stockholm, Sweden

Note 10 EVENTS AFTER THE BALANCE SHEET DATE

Refer to note 25 in the consolidated financial statements for more information.

MANAGEMENT'S STATEMENT

The Board of Directors and the Executive Management have today considered and adopted the Annual Report of Lakrids JB Holding ApS for the financial year 1 January – 31 December 2024.

The Consolidated Financial Statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and the Parent Company Financial Statements have been prepared in accordance with the Danish Financial Statements Act. Management's Review has been 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 at 31 December 2024 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for the financial year 1 January - 31 December 2024.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Hvidovre, March 13th, 2025

Executive Management

Fredrik R. Nilsson

Johan Askari Bülow

Nikolaj Enevoldsen

Board of Directors

Tue Mantoni (Chairperson)

Charlotte Strand (Vice Chairperson)

Johan Askari Bülow

Per Forsberg

Louise Margaret Cruttenden

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Lakrids JB Holding ApS

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2024 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2024 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Lakrids JB Holding ApS for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including material accounting policy information, for both the Group and the Parent Company, as well as statement of comprehensive income and cash flow statement for the Group ("financial statements").

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 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the 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 financial statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of 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 about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 uncer-

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

tainty 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 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 Consolidated 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.

Hellerup, 13 March 2025
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Thomas Wraae Holm
State Authorised
Public Accountant
mne30141

Claus Damhave
State Authorised
Public Accountant
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DANISH CONFECTIONERY

LAKRIDS BY BÜLOW