Danish Bake Holding ApS

Dortheavej 10, 2400 København NV
CVR no. 38 75 07 98

Annual report 2025

Approved at the Company's annual general meeting on
Chairman:

Signed by:
Signe Seerup Valentin
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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Danish Bake Holding ApS for the financial year 1 January - 31 December 2025.

The consolidated financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2025 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2025.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

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

Copenhagen, 29 June 2026

Executive Board:

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Joachim Knudsen
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Joachim Bernhard Knudsen

Board of Directors:

DocuSigned by: David Campbell DD0ECE59169C4A2...	DocuSigned by: Christian Hedegaard 55A760E549D24EA...	DocuSigned by: Robert Furuhjelm 4EE4E6E43E4C443...
David Lachlan Campbell *Chair*	Christian Hedegaard	Niels-Olof Robert Campbell Furuhjelm
DocuSigned by: Graham Turner BDFAC322A69D459...	Signed by: Karen Kochevar DBF3492A0C474EB...	Signed by: A93006144791485...
Graham Turner	Karen Kochevar	Jeremy James Hugo Sanders

Independent auditor's report

To the shareholders of Danish Bake Holding ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Danish Bake Holding ApS for the financial year 1 January – 31 December 2025, which comprise income statement, balance sheet, statement of changes in equity and notes, including material accounting policy information, for the Group and the Parent Company, and a consolidated statement of comprehensive income and a consolidated cash flow statement. The consolidated financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group at 31 December 2025 and of the results of the Group's operations and cash flows for the financial year 1 January – 31 December 2025 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Further, in our opinion, the parent company financial statements give a true and fair view of the financial position of the Parent Company at 31 December 2025 and of the results of the Parent Company's operations for the financial year 1 January – 31 December 2025 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Statement on the Management’s review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any assurance conclusion thereon.

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

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

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

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 additional requirements of 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.

Moreover, Management is responsible 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.

Independent auditor's report

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

As part of an audit conducted in accordance with ISAs and 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 uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

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

► Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements and the parent company financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We

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.

Copenhagen, 29 June 2026
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Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28
Signed by:
Thomas Bruun Kofoed
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Thomas Bruun Kofoed
State Authorised Public Accountant
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Management's review

Key figures (for the group)

DKK 000	2025	2024	2023	2022	2021
Revenue	1.704.054	1.574.537	1.460.236	1.322.992	1.097.945
Gross Profit	1.256.741	1.161.316	1.053.182	953.831	822.565
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	242.994	207.181	123.092	96.431	140.322
Earnings before interest, taxes, depreciation and amortisation (EBITDA) before special items	242.994	211.665	128.952	97.026	140.322
Operating profit	28.365	-13.850	-98.895	-113.752	-44.752
Financial income and financial expenses, net	-99.246	-77.759	-85.613	-99.987	-42.649
Profit/Loss for the year	-76.801	-93.870	-182.300	-216.188	-89.400
Total assets	2.831.227	2.972.918	3.174.426	3.283.825	3.051.904
Total equity	1.156.080	1.235.906	1.304.961	1.437.738	1.451.565
Cash flow from operating activities	141.149	91.757	76.953	32.026	91.889
Investments in property, plant and equipment	-45.114	-30.363	-92.801	-157.659	-69.674
Cash flows for the year	-5.610	-40.573	-74.333	8.288	-58.983
Operating margin	1,7%	-0,9%	-6,8%	-8,6%	-4,1%
Return on assets	1,0%	-0,2%	-2,7%	-3,4%	-1,4%
Current ratio	17,5%	14,1%	40,1%	67,6%	69,7%
Equity ratio	40,4%	40,9%	40,6%	43,3%	47,0%
Return on equity	-6,5%	-7,3%	-13,5%	-14,7%	-6,1%
Average number of employees (FTE)	1.296	1.311	1.361	1.178	1.151
Number of stores at 31 December	144	138	140	134	125

Financial ratios

The financial ratios have been calculated as follows:

Operating margin: $\frac{\text{Operating profit (EBIT) x 100}}{\text{Revenue}}$

Return on assets: $\frac{\text{Profit/loss from operating activities x 100}}{\text{Average assets}}$

Current ratio: $\frac{\text{Current assets x 100}}{\text{Current liabilities}}$

Equity ratio: $\frac{\text{Equity excl. non-controlling interests, year-end x 100}}{\text{Total equity and liabilities, year-end}}$

Return on equity: $\frac{\text{Profit/loss for the year excl. non-controlling interests x 100}}{\text{Average equity excl. non-controlling interests}}$

Profit/loss from operating activities: Operating profit excluding other operating expenses and special items

Management's review

The Group’s history dates back 35 years, when bakers Ole Kristoffersen and Steen Skallebæk established their respective bakeries in Copenhagen and Southern Jutland. Built on a passion for craftsmanship, quality and Danish baking traditions, the two joined forces in 2008 to bring exceptional bakery experiences to more customers.

Today, the Group operates 144 bakery shops across Denmark, London and New York. While the business has expanded internationally under the Ole & Steen brand, its ambition remains unchanged: to create a better bakery experience through high-quality products, strong hospitality and continuous development of its craft.

The Group’s business is guided by three core values:

Heart-made: The Group believes that if something is worth doing, it is worth doing right. From hospitality and product development to store operations and sustainability initiatives, the Group approaches its work with care, commitment and attention to detail.

Rustic, Refined: Rooted in Danish baking traditions, the Group combines craftsmanship, quality ingredients and continuous improvement to create products that honour its heritage while meeting evolving customer expectations.

Everyday Special: The Group aims to create great bakery experiences every day through quality products, warm hospitality and small moments that matter to customers.

The consolidated financial statements of Danish Bake Holding ApS cover the period from 1 January to 31 December 2025 and comprise Danish Bake Holding ApS and its subsidiaries, together referred to as “the Group”.

The Group’s business model as a producer and retailer within fresh bakery and fresh food is closely connected to a number of material sustainability areas. In particular, food waste, packaging, energy and raw material consumption, as well as responsible supply chain management, are closely linked to sourcing, production, distribution and sales across the Group’s activities.

Financial review

Building on the strong momentum established in 2024, the Group delivered its highest EBITDA to date in the financial year ended 31 December 2025. Revenue increased by DKK 130 million, or 8.2%, to DKK 1,704 million (2024: DKK 1,574 million), corresponding to growth of 10.1% in constant currencies. Growth was primarily driven by a 5.5% increase in like-for-like customer transactions, supported by new store openings and continued development of the Group’s business-to-business (B2B) activities.

The Group continued to strengthen customer engagement and channel reach through digital solutions and new sales channels. Further development of the Lagkagehuset / Ole & Steen membership app, Click & Collect, web shop and home delivery offerings contributed to nearly 50% growth in digital sales, while self-ordering kiosks were introduced in selected high-volume stores. In the UK, a number of signature products became available in more than 30 premium Waitrose supermarkets in Greater London towards the end of the year. In 2026 this has been further expanded to include additional 20 locations in south east.

Gross profit amounted to DKK 1,256 million (2024: DKK 1,161 million), corresponding to 26.2% of revenue. Margins were affected by unexpected world market price increases in key commodities, including coffee, chocolate, dairy products and eggs, as well as the introduction of Extended Producer Responsibility on packaging in Denmark from October 2025. As a result, the planned margin improvements were not fully realised.

Salary expenses as a percentage of revenue increased by 0.5 percentage points, reflecting people development, salary inflation, higher social contributions, selected insourcing and investment in strategic positions to support future growth. Other operating expenses as a percentage of revenue decreased by 1.2 percentage points, driven by renegotiated supplier terms, insourcing and continued reprioritisation of costs.

Consolidated EBITDA amounted to DKK 243 million (2024: DKK 207 million), an increase of DKK 36 million, or 17%. The result was below management’s expectations, mainly due to the unfavourable development in cost of sales, salary expenses and currency fluctuations.

Operating profit increased by DKK 42 million to DKK 28 million (2024: loss of DKK 14 million), while net financial expenses amounted to DKK 99 million (2024: DKK 78 million). The Group reported a loss for the year of DKK 77 million (2024: DKK 94 million).

Management's review

Financial risks

As a result of its operations, investments and financing, the Group is exposed to changes in interest rates. The Company centrally manages the Group’s financial risks and liquidity, including capital sourcing and investment of surplus liquidity. Under the Group’s financial policy, the risk profile is kept low to ensure that interest rate and credit risks arise only from commercial circumstances. Net financial expenses amounted to DKK 99 million in 2025 (2024: DKK 78 million). The increase in net financial expenses was partly driven by a DKK 16 million exchange rate loss (2024: DKK 7 million gain) and other funding fees.

Management evaluates the Group's capital structure on an ongoing basis. On 31 December 2025, the Group's interest-bearing debt to credit institutions amounted to DKK 586 million (2024: DKK 565 million), based on an overall credit facility of up to DKK 600 million as of 31 December 2025.

Covenant requirements for the credit facility have been reported on an ongoing basis.

Cash and cash equivalents amounted to DKK 53 million (2024: DKK 55 million), resulting in a net interest-bearing debt of DKK 534 million (2024: DKK 509 million).

As a result of its operations in the United Kingdom and the United States, the Group is exposed to currency fluctuations in GBP and USD.

Knowledge resources

The Group’s continued growth depends on its ability to attract, develop and retain skilled employees. High product quality and a strong customer experience require ongoing investment in employee competencies, including training and development for bakers, pastry chefs, store managers and other key roles.

Data ethics

The Group uses analytics and digital solutions to process data as part of its business model. The Data Ethics Policy reflects the Group’s commitment to responsible data use and to protecting data relating to customers, employees and other stakeholders. The Group applies guidelines, processes and employee training to support information security and reduce the risk of unintended disclosure.

The Group is in the process of implementing the required NIS2 processes.

Environmental impact and climate-related risks

The Group’s activities are not considered to have a material negative impact on the external environment or climate, and no separate environmental policy has been prepared. Environmental considerations are nevertheless embedded in the Group’s operations, particularly through initiatives to reduce food waste, improve resource efficiency and limit the environmental footprint across the value chain.

Climate-related risks mainly relate to unexpected increases in energy and raw material prices, as well as weather-related damage to property, plant and equipment.

Management continuously monitors prices and production forecasts for all major product categories used in production and actively seeks to mitigate risk from price increases and out-of-stock situations by entering into hedge and fixed-price agreements with suppliers. Property, plant and equipment are insured for climate-related loss, including business interruption, by reputable insurance companies.

For further description, see below under 'Statutory CSR report’.

Statutory CSR report pursuant to section 99a

The Group strives to act responsibly in a changing market and has defined several focus areas that are directly linked to its operations.

Business model

The Group’s operating business model is described in the first section of the Management’s review.

Environment

The Group works actively to reduce the environmental impact of its operations as an integrated part of running a fresh food business. Environmental priorities are closely linked to the way the Group manages sourcing, production, ordering and distribution, with a particular focus on reducing waste and improving resource efficiency across the value chain.

As a producer and retailer of fresh food with ingredients that often have limited shelf life, the Group recognises food waste as a key environmental risk and a continuous operational priority. Efforts to reduce waste must be balanced with maintaining high product quality, product availability and a strong customer experience. To support this, the Group uses data and technology to improve demand forecasting and production planning across stores and production sites, helping to reduce unnecessary waste while improving operational efficiency.

Management's review

Environment (continued)

The Group works with suppliers and logistics partners to reduce its broader environmental footprint. In 2025, the Danish market consolidated deliveries from third-party suppliers for non-fresh-bread products, reducing store delivery mileage to approximately one-third of the 2024 level. Initiatives have also been introduced to reduce paper use for the Group's coffee cups by 30% from 2026.

Social and employee conditions

The Group employs more than 3,500 people across its operations. Attracting, developing and retaining skilled employees is essential to preserving craftsmanship, product quality and customer experience, while also supporting future growth and operational excellence. The Group therefore continues to invest in employee development, leadership capabilities and specialist competencies, with a particular focus on building strong frontline and specialist talent across stores, bakeries and support functions.

Employee wellbeing, health and safety are fundamental to a sustainable business. The Group therefore focuses on maintaining a safe and healthy working environment, both physically and mentally, and on sustaining a high level of employee satisfaction. Workplace assessments are completed in accordance with applicable legislation, with action plans prepared where improvement areas are identified. Medical examinations are also conducted for employees working night shifts.

Employee engagement and wellbeing are monitored through eNPS, which is a key KPI in the Group's people agenda. Results and employee comments are reviewed regularly and used by leaders to identify trends, address concerns and drive continuous improvement across the organisation.

The Group's Whistleblower Policy, supported by the Code of Conduct, provides employees and business partners with access to an external reporting platform. The platform supports anonymous reporting, access to an external legal representative and escalation to executive management and the Board where relevant.

Occupational injury and stress risks are assessed across stores and bakeries, with reporting reviewed by senior management on an ongoing basis. Workplace assessments and local initiatives are used to address identified risks, while trained health and safety representatives and frontline leaders support a strong safety culture and promote positive wellbeing in daily operations.

Anticorruption

The Group considers procurement and contract management to be the areas with the highest inherent exposure to corruption and bribery risks. The Group has a zero-tolerance policy for corruption and bribery and continues to focus on central management of procurement and contract processes to mitigate these risks. No violations of the Code of Conduct were identified in 2025.

The Group has requested all contracted suppliers to sign and comply with the updated Vendor Code of Conduct, which sets out the principles and expectations applicable to employees, suppliers and other business partners.

Human rights

Based on its materiality assessment, the Group has not identified any material risks of adverse impacts on human rights. Accordingly, no separate human rights policy has been adopted. Human rights considerations are, however, supported by the Group's Code of Conduct and Vendor Code of Conduct, which set expectations for responsible business conduct by employees, suppliers and other business partners.

Events after the balance sheet date

After the balance sheet date, the Company agreed with its credit institutions to extend the existing financing agreement until 1 January 2028.

Based on the agreed extension, management is confident that the available liquidity, together with approved budgets, forecasts and business plans, will be sufficient for the Group's operations in 2026 and 2027.

Outlook

For 2026, management expects revenue to reach DKK 1,820-1,865 million, driven by organic growth from existing stores, B2B sales development across all three markets and the planned opening of up to 10 new stores in Denmark and the United Kingdom. These expectations are supported by continued quality improvements, product development, digital capabilities and customer experience initiatives across the Group. Group EBITDA is expected to reach DKK 290-305 million. Management notes, however, that a continuation or escalation of the current conflict in the Middle East could affect the Group's financial performance through higher commodity, transportation and energy costs.

Management's review

Corporate governance

The Board of Directors and the Executive Board of Danish Bake Holding ApS work continuously to ensure that the Group's management structure and control systems remain appropriate and effective, and review these arrangements regularly to support sound governance and effective oversight.

The framework for management's duties is based on the Danish Companies Act, the Danish Financial Statements Act, the Company's articles of association, ethical guidelines and relevant industry practice. As a company owned by private equity funds, Danish Bake Holding ApS follows the Danish Venture and Private Equity Association's (DVCA) guidelines on responsible ownership and corporate governance. Internal procedures are in place to support active, effective and value-creating management.

Shareholders

The Board of Directors regularly reviews whether the Group's capital structure remains appropriate and in the best interests of the Company and its stakeholders. The overall objective is to maintain a capital structure that supports long-term profitable growth.

The Company is owned by Cidron Garonne Limited (60%) and Danish Bread S.à r.l. (15%). The Board of Directors comprises independent members as well as representatives of Nordic Capital VIII and L Catterton Europe IV. Independent board members are David Lachlan Campbell (Chairman), Graham Turner and Karen Kochevar. Robert Furuhjelm and Christian Hedegaard represent Nordic Capital VIII, while Jeremy Sanders represents L Catterton Europe IV.

The Board of Directors' duties

The Board of Directors of Danish Bake Holding ApS oversees that the Executive Board pursues the objectives, strategies and business procedures adopted by the Board. The Board receives regular written and oral updates from the Executive Board at board meetings and between meetings as relevant.

The Board normally meets six times a year according to a fixed schedule. An annual strategy seminar is held to review the Company's vision, goals and strategy. Between ordinary board meetings, the Board receives written updates on the Company's and the Group's results and financial position. Extraordinary meetings are convened as required

Remuneration of management

The Executive Board and other executive officers are remunerated based on responsibilities, value creation and market terms in comparable companies, with the aim of attracting and retaining strong management capabilities. Remuneration includes incentive elements intended to align management interests with those of the owners and to support both short-term and long-term objectives.

Management, certain members of the Board of Directors of Danish Bake Holding ApS and selected key employees participate in the Company's investment incentive programme. Treasury shares are sold and acquired as part of the programme.

In addition to the incentive programme, certain key employees participate in performance-based bonus arrangements. Remuneration of the Executive Board and the Board of Directors is disclosed in a note to the financial statements.

Dividend policy

Any distribution of dividend is determined with due regard to the level of equity required to support the Group's continued development and to comply with existing financing agreements.

Recommendations for active ownership and corporate governance for private equity funds

The Danish Venture and Private Equity Association (DVCA) has issued guidelines on responsible ownership and corporate governance for private equity funds and companies controlled by private equity funds.

These recommendations include guidance on disclosures in the Management's review, including corporate governance, financial risks, employees and strategy.

The guidelines apply a "comply or explain" approach to corporate governance, under which companies either comply with the recommendations or explain any deviations. As described above, Danish Bake Holding ApS generally complies with the DVCA's

Consolidated income statement

Note	DKK 000	2025	2024
3	Revenue	1.704.054	1.574.537
	Cost of sales	-447.313	-413.221
	Gross Profit	1.256.741	1.161.316
4	Staff costs	-647.295	-588.231
5	Other external expenses	-367.068	-358.002
5	Other operating expenses	-889	-4.175
	Other operating income	1.505	757
5	Special items	0	-4.484
9, 10	Amortisation, depreciation and impairment	-214.629	-221.031
	Operating profit	28.365	-13.850
6	Financial income	1.827	8.047
7	Financial expenses	-101.073	-85.806
	Profit/loss before tax	-70.881	-91.609
8	Tax for the year	-5.920	-2.261
	Profit/loss for the year	-76.801	-93.870
	Attributable to:		
	Equity holders of the parent	-76.990	-95.965
	Non-controlling interests	189	2.095
	Profit/loss for the year	-76.801	-93.870

Consolidated statement of comprehensive income

Note	DKK 000	2025	2024
	Profit/loss for the year	-76.801	-93.870
	Other comprehensive income		
	Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
	Currency translation of foreign entities	4.404	-1.220
	Total comprehensive income for the year	-72.397	-95.090
	Attributable to:		
	Equity holders of the parent	-72.586	-97.185
	Non-controlling interests	189	2.095
	Total comprehensive income for the year	-72.397	-95.090

Consolidated statement of financial position at 31 December

Note	DKK 000	2025	2024
	ASSETS		
	Non-current assets		
9	Intangible assets		
	Goodwill	1.421.262	1.419.349
	Brand	210.400	210.400
	Development projects	37.618	37.826
	Other acquired intangible assets	75	142
		1.669.355	1.667.717
10	Property, plant and equipment		
	Plant and machinery	127.183	139.661
	Fixtures and fittings, other plant and equipment	30.973	38.667
	Leasehold improvements	232.824	293.466
	Prepayments for property, plant and equipment	11.583	3.910
	Right-of-use assets	571.471	678.921
		974.034	1.154.625
11	Other non-current assets		
	Other non-current receivables	16.263	18.557
		16.263	18.557
	Total non-current assets	2.659.652	2.840.899
	Current assets		
13	Inventories	34.880	32.729
12	Trade and other receivables	64.234	25.407
12	Prepayments	19.784	18.385
16	Cash	52.677	55.498
	Total current assets	171.575	132.019
	TOTAL ASSETS	2.831.227	2.972.918

Consolidated statement of financial position at 31 December

Note	DKK 000	2025	2024
	EQUITY AND LIABILITIES		
	Equity		
14	Share capital	1.281	1.281
	Share premium	2.256.525	2.256.525
	Retained earnings	-1.114.175	-1.037.626
	Currency translation reserve	-262	-4.320
	Equity attributable to equity holders of the parent	1.143.369	1.215.860
	Non-controlling interests	12.711	20.046
	Total equity	1.156.080	1.235.906
	Non-current liabilities		
8	Deferred tax liabilities	34.407	29.015
15	Provisions	38.372	39.516
19	Lease liabilities	566.766	678.533
16	Other non-current financial liabilities	52.805	50.646
	Total Non current liabilities	692.350	797.710
	Current liabilities		
19	Lease liabilities	111.206	122.363
16	Loans from non-controlling interest	7.813	0
16	Debt to credit institutions	586.452	564.852
8	Corporation tax payable	4.447	2.921
	Deferred revenue	10.773	8.670
16, 17	Trade and other payables	262.106	240.496
	Total current liabilities	982.797	939.302
	Total liabilities	1.675.147	1.737.012
	TOTAL EQUITY AND LIABILITIES	2.831.227	2.972.918

Consolidated statement of changes in equity

DKK 000	Share Capital	Share Premium	Retained Earnings	Currency translation reserve	Total	Non-controlling interests	Total Equity
As at 1 January 2025	1.281	2.256.525	-1.037.626	-4.320	1.215.860	20.046	1.235.906
Comprehensive income for the year							
Profit/loss for the year	0	0	-76.990	0	-76.990	189	-76.801
Other comprehensive income	0	0	0	4.058	4.058	346	4.404
Total comprehensive income for the year	0	0	-76.990	4.058	-72.932	535	-72.397
Transactions with owners							
Group contribution	0	0	441	0	441	0	441
Dividend	0	0	0	0	0	-7.870	-7.870
Other adjustment	0	0	0	0	0	0	0
Total transactions with owners	0	0	441	0	441	-7.870	-7.429
At 31 December 2025	1.281	2.256.525	-1.114.175	-262	1.143.369	12.711	1.156.080

DKK 000	Share Capital	Share Premium	Retained Earnings	Currency translation reserve	Total	Non-controlling interests	Total Equity
As at 1 January 2024	1.276	2.230.496	-941.662	-2.576	1.287.534	17.427	1.304.961
Comprehensive income for the year							
Profit/loss for the year	0	0	-95.965	0	-95.965	2.095	-93.870
Other comprehensive income	0	0	0	-1.744	-1.744	524	-1.220
Total comprehensive income for the year	0	0	-95.965	-1.744	-97.709	2.619	-95.090
Transactions with owners							
Capital increase	5	26.029	-301	0	25.733	0	25.733
Other adjustment	0	0	302	0	302	0	302
Total transactions with owners	5	26.029	1	0	26.035	0	26.035
At 31 December 2024	1.281	2.256.525	-1.037.626	-4.320	1.215.860	20.046	1.235.906

Consolidated statement of cash flows

Note	DKK 000	2025	2024
	Profit/loss for the year	-76.801	-93.870
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and impairment of property, plant and equipment	200.668	209.913
	Amortisation and impairment of intangible assets	13.960	13.112
	Gain/loss on disposal of property, plant and equipment	888	4.175
	Financial income	-1.827	-8.047
	Financial expenses	101.073	85.806
	Tax for the year	5.920	2.261
	Other adjustments of non cash operating items*	-1.342	635
	Cash flow from operations before changes in working capital	242.539	213.985
18	Change in working capital	-18.664	-43.376
	Cash flow from operations	223.875	170.609
	Interest income, received	1.827	8.047
	Interest expenses, paid	-85.749	-85.806
	Cash flow from ordinary activities before tax	139.953	92.850
8	Income tax received/(paid)	1.196	-1.093
	Cash flow from operating activities	141.149	91.757
10	Acquisition of intangible assets	-1.848	-7.181
10	Acquisition of property, plant and equipment**	-45.114	-30.363
10	Sale of property, plant and equipment	0	0
11	Change in rental deposits	1.598	2.360
	Cash flow from investing activities	-45.364	-35.184
16	Proceeds of debt to credit institutions	21.600	24.876
16	Repayments, leases	-119.654	-119.738
16	Other non-current liabilities	2.159	-1.983
	Transaction cost	-5.500	-301
	Cash flow from financing activities	-101.395	-97.146
	Cash flows for the year	-5.610	-40.573
	Cash and cash equivalents at 1 January	55.498	96.031
	Foreign currency translation of cash and cash equivalents	2.789	40
	Cash and cash equivalents 31 December	52.677	55.498

**) Other adjustments of non cash operations mainly includes adjustments of changes in provisions and refurbishment obligations.*

***) Acquisition of property, plant and equipment does not include additions related to refurbishment.*

Notes to the consolidated financial statements

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Notes to the consolidated financial statements

1 MATERIAL ACCOUNTING POLICY

Basis of preparation

The financial statements section of the annual report for the period 1 January – 31 December 2025 comprises the consolidated financial statements of Danish Bake Holding ApS and its subsidiaries (the "Group" or the "Danish Bake Holding Group").

The consolidated financial statements of Danish Bake Holding ApS have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional Danish disclosure requirements for financial statements prepared by large class C enterprises.

Danish Bake Holding ApS is incorporated and domiciled in Denmark.

On 29 June 2026, the Board of Directors and the Executive Board approved the Annual Report for 2025 of Danish Bake Holding ApS, and it will be presented at the Annual General Meeting.

Except as stated below, the accounting policies are unchanged from those applied in the 2025 consolidated financial statements.

New financial reporting standards

All new or amended standards (IFRS) and interpretations (IFRIC) as adopted by the EU and which are effective for the financial year beginning on 1 January 2025 have been adopted. The implementation of these new or amended standards and interpretations had no material impact on the financial statements. The accounting policies have been applied consistently during the financial year and for the comparative figures. For standards implemented prospectively the comparative figures are not restated.

New financial reporting standards not yet adopted

Certain new accounting standards and interpretations have been published that are not yet in effect or endorsed by the EU and, therefore, not relevant for the preparation of 2025 consolidated financial statements. The Group expects to implement these standards as they take effect. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions besides from IFRS 18, which replaces IAS 1 effective from 1 January 2027.

IFRS 18 will affect the presentation of the income statement. It will mainly affect the classification of ‘financial income’ and ‘financial expenses’, which will be divided into three new line items: 'operating financial income and expenses', 'investment income' and 'interest expenses'. The preliminary assessment is that the IFRS 18 will have a limited impact on the presentation of the income statement, cash flow statement and disclosures to be provided in the notes. The reclassification will result in a difference between IAS 1 operating profit and the IFRS-18 defined operating profit, which under IFRS18 will include operating foreign exchange rate differences in the operating profit.

Reporting currency

The consolidated financial statements are presented in Danish kroner (DKK'000) which is the functional currency of Danish Bake Holding ApS.

Foreign currencies

For each of the reporting entities in the Group, including subsidiaries and foreign associates, a functional currency is determined. The functional currency is the currency used in the primary financial environment in which the reporting entity operates. Transactions denominated in currencies other than the functional currency are foreign currency transactions.

On initial recognition, foreign currency transactions are translated to the functional currency at the exchange rate on the transaction date. Foreign exchange differences arising between the rate on the transaction date and the rate on the date of settlement are recognised in profit or loss as financial income or financial expenses.

At the end of a reporting period, receivables and payables and other monetary items denominated in foreign currencies are translated to the functional currency at the exchange rate on the balance sheet date.

The difference between the exchange rates on the balance sheet date and on the date the receivable or payable was recognised in the latest reporting period is recognised in profit or loss as financial income or financial expenses.

In the consolidated financial statements, the statements of comprehensive income of Group entities with a functional currency other than DKK are translated at the exchange rate on the transaction date, and the balance sheet items are translated at closing rates. An average exchange rate for each month is used as the exchange rate at the transaction date in so far as this does not significantly distort the presentation of the underlying transactions. Foreign exchange differences arising on translation to the DKK presentation currency are recognised in other comprehensive income (OCI) in a separate translation reserve under equity. On disposal of a reporting entity, the component of other comprehensive income relating to that particular reporting entity is reclassified to profit or loss.

Control

The consolidated financial statements comprise the Parent Company and subsidiaries controlled by the Parent Company. Control means a parent company’s power to direct a subsidiary’s financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

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

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

Notes to the consolidated financial statements

1 MATERIAL ACCOUNTING POLICY (Continued)

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

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

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

External business combinations
Acquired entities are recognised in the consolidated financial statements from the date of acquisition. Entities sold or otherwise disposed of are recognised up to the date of disposal.

The date of acquisition is the date when the group actually obtains control of the acquiree.

The acquisition method is applied to the acquisition of new entities of which the Group obtains control. The acquirees' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill under “Intangible assets”. Goodwill is measured at cost less any accumulated impairment losses.

Negative differences (negative goodwill) are recognised in the income statement at the date of acquisition.

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the presentation currency used in the consolidated financial statements are accounted for as assets and liabilities belonging to the foreign entity and are, on initial recognition, translated into the foreign entity's functional currency using the exchange rate at the transaction date.

The consideration paid for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the consideration is contingent on future events or compliance with agreed terms, such part of the consideration is recognised at fair value at the date of acquisition. Subsequent adjustments of contingent considerations are recognised in the income statement.

Where, at the date of acquisition, the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the consideration is associated with uncertainty, initial recognition will take place on the basis of provisional amounts. If it turns out subsequently that the identification or measurement of the consideration transferred, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Hereafter, any adjustments are recognised as misstatements.

Gains or losses from disposal of subsidiaries which result in loss of control are calculated as the difference between, on the one hand, the fair value of the selling price less selling expenses and, on the other hand, the carrying amount of net assets.

Notes to the consolidated financial statements

1 MATERIAL ACCOUNTING POLICY (Continued)

Income statement

Revenue
Income from the sale of goods for resale and finished goods is recognised in revenue is recognised when a store sells the goods to the customer. Payment is usually due when the customer picks up the goods in the store.

For the customer loyalty program, a performance obligation is recognized at the date of recognition of the sale triggering the allocation of bonus point. The performance obligation is measured at the estimated fair value of the bonus point allocated. Revenue is recognized when the customer uses the bonus points.

Income from the rendering of services is recognised as revenue as the services are rendered.

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

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

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

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

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

Special items
Significant income and expenses which is considered non-recurring are presented in the income statement in a separate line item labelled "Special items" in order to distinguish these items from other income statement items.

Amortisation/depreciation
The item comprises amortisation/depreciation of intangible assets and property, plant and equipment, as well as any impairment losses recognised for these assets during the period.

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

Completed development projects, 5-7 years
Acquired intangible assets, 5-10 years
Goodwill, indefinite
Brand, indefinite

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further amortisation charges are recognised. In case of changes in the residual value, the effect on the amortisation charges is recognised prospectively as a change in accounting estimates.

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

Plant and machinery, 5-15 years
Fixtures and fittings, other plant and equipment, 3-5 years
Leasehold improvements, 10 years
Right-of-use assets, up to 15 years

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Notes to the consolidated financial statements

1 MATERIAL ACCOUNTING POLICY (Continued)

Financial income and expenses
Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses, foreign exchange gains and losses, bank-fees as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

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

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

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

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

Balance sheet

Intangible assets
Acquired IP rights are measured at cost less accumulated amortisation and impairment losses.

Goodwill and brand is initially recognised at cost. Subsequently, goodwill and brand is measured at cost less accumulated impairment losses. Goodwill and brand is not amortised and impairment losses on goodwill are not reversed.

The carrying amount of goodwill is allocated to the Group’s cash-generating units at the date of acquisition. Impairment is performed once a year as of 31 December or more frequently if events or changes in circumstances indicate that there is an impairment.

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

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

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

Separately acquired intangible assets are measured on initial recognition at cost including directly attributable costs. Intangible assets acquired in a business combination are measured at fair value at the acquisition date.

Intangible assets with a finite useful life are amortised over their useful life and reviewed for impairment whenever there is an indication that the asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at each year end.

Intangible assets with indefinite useful lives (goodwill and brand) are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Notes to the consolidated financial statements

1 MATERIAL ACCOUNTING POLICY (Continued)

Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

Impairment testing of non-current assets
The carrying amount of intangible, and property, plant and equipment and right-of-use assets is assessed for impairment on an annual basis.

The carrying amount of goodwill is allocated to the Group’s cash-generating units at the date of acquisition. Impairment testing is performed once a year as of 31 December or more frequently if events or changes in circumstances indicate that there is an impairment. An impairment loss is recognised if the recoverable amount of the cash-generating unit to which goodwill has been allocated is less than the carrying amount of the cash-generating unit. Identification of cash-generating units is based on the internal financial reporting structure.

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

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

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

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

Receivables
Receivables are measured at amortised cost.

Write-downs on trade receivables are based on the simplified expected credit loss model. Credit loss allowances on individual receivables are provided for when objective indications of credit losses occur such as customer bankruptcy and uncertainty about the customers’ ability and/or willingness to pay, etc. In addition to this, allowances for expected credit losses are made on the remaining trade receivables based on a simplified approach.

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

Cash
Cash comprise cash at banks.

Equity
Currency translation reserve
Foreign exchange differences arising on translation of Group entities to the DKK presentation currency are recognised in other comprehensive income (OCI) in a separate currency translation reserve under equity. On disposal of a reporting entity, the component of other comprehensive income relating to that particular reporting entity is reclassified to profit or loss.

Share premium
Share premium can be used for dividend.

Treasury shares
Purchases and sales of treasury shares are taken directly to equity under "Retained earnings".

Notes to the consolidated financial statements

1 MATERIAL ACCOUNTING POLICY (Continued)

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

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

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

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

Liabilities
The Group's liabilities include provisions, lease liabilities, trade and other payables, credit facilities and convertible loans. Liabilities are classified as current if they fall due for payment within one year or earlier. If this condition is not met, they are classified as non-current liabilities. Non-current liabilities include earn-out amounts, lease liabilites and other liabilities.

Provisions
Provisions relates to refurbishment obligations relating to the Group's leased premises. The refurbishment obligation is calculated as the present value of the estimated net costs of refurbishment when leased premises are vacated. This will occur no earlier than the end of the expected useful life.

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Deferred revenue
Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Trade and other payables
Trade payables are obligations to pay for goods or services acquired in the normal course of business. Trade payables are initially reported at fair value and, subsequently, at amortised cost using the effective interest method.

Other payables comprise amounts owed to staff, including wages, salaries and holiday pay; amounts owed to the public authorities, including taxes payable and VAT.

Credit facilities
Debt to credit institutions are at initial recognition measured at fair value less transaction cost and subsequently measured at amortised cost.

Notes to the consolidated financial statements

1 MATERIAL ACCOUNTING POLICY (Continued)

Fair value measurement
The Group uses the fair value concept in connection with certain disclosure requirements and for recognition of financial instruments. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (“exit price”).

The fair value is a market-based and not an entity-specific measurement. The entity uses the assumptions that the market participants would use for the pricing of the asset or liability based on the current market conditions, including risk assumptions. The entity’s purpose of holding the asset or settling the liability is thus not taken into account when the fair value is determined.

The fair value measurement is based on the principal market. If a principal market does not exist, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and transport costs.

All assets and liabilities measured at fair value, or in respect of which the fair value is disclosed, are categorised into levels within the fair value hierarchy based on the lowest level input that is significant to the entire fair value measurement, see below:

Level 1: Quoted priced in an active market for identical assets or liabilities

Level 2: Inputs other than quoted prices included in Level 1 that are observable either directly or indirectly

Level 3: Inputs that are not based on observable market data (valuation techniques that use inputs that are not based on observable market data)

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

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

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

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

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

Notes to the consolidated financial statements

2 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND RISKS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements and estimates

In the process of applying the Group's accounting policies, Management has made the following judgements and estimates, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Goodwill and brand, Intangible assets with indefinite useful life and impairment

Goodwill and brand are expected to have an indefinite useful life and are therefore not subject to amortisation. The useful life of the brand "Lagkagehuset" is assessed to be indefinite, based on the history and strength of the brand. Management reviews this assessment annually to determine whether the indefinite life continues to be supportable.

Management reviews goodwill and brand for impairment at least once a year. This requires Management to make an estimate of the projected future cash flows from the continuing use of the cash-generating unit and also to choose a suitable discount rate for those cash flows. Management allocates the brand "Lagkagehuset" to the entity Lagkagehuset A/S. Reference is made to note 9 of the consolidated financial statements.

Refurbishment obligations

Provision covering refurbishment obligations is viewed per market and the individual lease contracts. Any estimates is based on quotes for the different types of leases or previous termination, where applicable.

Right-of-use assets

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

In calculating the present value of lease payments, the Group uses its incremental borrowing rate of 3.25% - 4.75%, at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

The right-of-use assets are depreciated over the contractual lease period, up to 15 years from reporting date.

Climate-related risks

Management considers climate-related risks when preparing the consolidated financial statement. Climate-related risks mainly raises from abrupt and unexpected shifts in input prices for energy and raw materials used in the company's production as well as weather related damages to the company property, plant, and equipment.

Management is continuously monitoring prices and production forecast for all major product categories used in production and actively seek to mitigate risk from price increases and out of stock situations by entering into hedge- and fixed price agreements with its suppliers. Property, plant and equipment is insured for climate related loss – incl. business interruption – by reputable insurance companies.

Notes to the consolidated financial statements

3 REVENUE

DKK 000	2025	2024
Revenue disaggregated based on geographical markets:		
Denmark	1.216.909	1.111.091
UK	394.658	374.126
US	92.487	89.320
Total revenue	1.704.054	1.574.537

The allocation of revenue to geographical markets is disclosed. The Company only operates within one business segment, operation of bakeries. Therefore, no separate segment information has been given regarding activities.

The Group's sales to BtC customers are cash sales without any variable consideration. Payment of the transaction price is due immediately when the customer purchases the goods and takes delivery in the store, alternatively, with a few days' delay in using payment cards. A minor part of the net revenue is to BtB customers and is carried out by invoicing with payment terms generally up to 14 days, thereby a receivable is recognized. Please refer to note 12 Trade and other receivables.

For the customer loyalty program, a performance obligation is recognized in deferred revenue at the date of recognition of the sale triggering the allocation of bonus point. The performance obligation is measured at the estimated fair value of the bonus point allocated. The estimated value is inherently subject to some uncertainty with respect to actual future redemption. Revenue is recognized when the customer uses the bonus points, which could be in a considerable time period.

4 STAFF COSTS

DKK 000	2025	2024
Wages and salaries	567.555	532.898
Pensions, defined contribution	34.806	29.749
Other social security costs	20.042	16.490
Other staff costs	24.892	13.714
Staff costs transferred to non-current assets	0	-137
Included in special items	0	-4.483
Total staff costs	647.295	588.231
Average number of full-time employees	1.296	1.311
Remuneration to Executive Board and Board of Directors	4.872	4.698

For 2025 remuneration have been disclosed in total in accordance with section 98 B(3) of the Danish Financial Statements Act and amounted to 4,872 thousand DKK.

Management including selective board members and a few key employees participate in an investment programme as part of the overall incentive plan. The purpose is to ensure consistency between the interests of the Company's management, key employees and owners, and the scheme reflects both short-term and long-term goals.

Notes to the consolidated financial statements

5 EXPENSES

FEES PAID TO AUDITORS APPOINTED AT THE ANNUAL GENERAL MEETING

DKK 000	2025	2024
Fee related to statutory audit	745	703
Fees for tax advisory services	48	204
Assurance engagements	30	65
Other assistance	372	175
Total	1.195	1.147

OTHER OPERATING EXPENSES

DKK 000	2025	2024
Loss on the sale or scrapping of non-current assets	889	4.175
Total	889	4.175

SPECIAL ITEMS

Special Items are presented in the Income statement in a separate line item labelled ‘Special items' in order to distinguish these items from other income statement items. Special items consists of non-recurring income and expenses in connection with acquisitions and other non-recurring cost.

DKK 000	2025	2024
Restructuring cost	0	4.484
Total	0	4.484

Restructuring cost relates to non-recurring cost in connection with changes in management for the Group.

6 FINANCIAL INCOME

DKK 000	2025	2024
Foreign exchange gains	0	6.843
Other interest income	1.827	1.205
Total finance income	1.827	8.047

7 FINANCIAL EXPENSES

DKK 000	2025	2024
Foreign exchange losses	16.488	0
Interest expenses, bank	36.702	20.841
Interest on lease liabilities	24.997	29.325
Other financial expenses	21.650	35.640
Interest expenses concerning prior year shareholder loan	1.237	0
Total finance expenses	101.073	85.806

Notes to the consolidated financial statements

8 INCOME TAX

Income tax is specified as follows:

DKK 000	2025	2024
Income tax is specified as follows:		
Current tax for the year	330	1.553
Deferred tax for the year	5.590	708
Tax adjustments, prior years	0	0
Total	5.920	2.261
Calculated 22% tax of the result before tax	-15.594	-20.154
Tax effect of:		
Non-deductible costs	392	1.153
Not recognised deferred tax assets	15.215	21.451
Adjustment of prior year deferred tax for foreign subsidiaries	4.570	0
Adjustment of the tax rates in foreign subsidiaries relative to the 22%	411	0
Other adjustment	925	-189
Total	5.920	2.261
Effective tax rate	-8,4%	-2,5%
Deferred tax 1 January	29.015	28.079
Adjustments of deferred tax in profit and loss	5.523	708
Other adjustments	-131	228
Deferred tax 31 December	34.407	29.015
Deferred tax is recognised in the balance sheet as:		
Deferred tax liability	34.407	29.015
Deferred tax 31 December	34.407	29.015
Deferred tax is related to:		
Intangible assets	48.601	48.602
Property, plant and equipment	-14.194	-19.587
Tax losses carried forward	0	0
Deferred tax 31 December	34.407	29.015

The group has tax losses of DKK 460 million (2024: DKK 442 million) that are available indefinitely for offsetting against future taxable profit. In 2025 the deferred tax assets have not been recognised in respect of these losses due to uncertainty in timing to offset future taxable profit. If the Group was able to recognize all unrecognized deferred tax assets the value 31 December 2025 would be DKK 197 million (2024: DKK 182 million).

Notes to the consolidated financial statements

9 INTANGIBLE ASSETS

DKK 000	Goodwill	Brand	Develop-ment projects	Acquired intangible assets	Total
Cost					
At 31 December 2023	1.416.490	210.400	96.827	3.253	1.726.970
Additions	0	0	7.181	0	7.181
Currency translation	2.859	0	0	0	2.859
At 31 December 2024	1.419.349	210.400	104.008	3.253	1.737.010
Additions	2.889	0	1.848	0	4.737
Disposal	0	0	-33.253	0	-33.253
Transfer from other	0	0	11.837	0	11.837
Currency translation	-976	0	0	0	-976
At 31 December 2025	1.421.262	210.400	84.440	3.253	1.719.355
Amortisation and impairment					
At 31 December 2023	0	0	53.235	2.946	56.181
Amortisation for the period	0	0	12.947	165	13.112
At 31 December 2024	0	0	66.182	3.111	69.293
Amortisation for the period	0	0	13.893	67	13.960
Amortisation on disposed assets	0	0	-33.253	0	-33.253
At 31 December 2025	0	0	46.822	3.178	50.000
Carrying Value					
At 31 December 2023	1.416.490	210.400	43.592	307	1.670.789
At 31 December 2024	1.419.349	210.400	37.826	142	1.667.717
At 31 December 2025	1.421.262	210.400	37.618	75	1.669.355
Expected useful lives:	Indefinite	Indefinite	5 - 7 years	5 - 10 years	

The Group's goodwill and brand assets mainly arise from the business combinations of Danish Bake A/S and Modern Standard Coffee Ltd. as well as other asset acquisitions.

Goodwill and brand assets arising on business combinations are considered to have indefinite life and therefore not subject to amortisation, but are reviewed annually for impairment, or more frequently if there are any indicators of impairment that are noted during the year.

Cash-generating units

Goodwill from a business combination is allocated to cash-generating units in which synergies are expected to be generated from the acquisition. A cash-generating unit represents the smallest identifiable group of assets that together have cash inflows that are largely independent of the cash inflows from other assets. Management has concluded that the Group has only one cash-generating unit for impairment testing purposes, since goodwill is related to the cash flows from the Group as a whole. Therefore, impairment testing has been done at the level of one cash-generating unit.

Recoverable amount

When testing for impairment, the Group estimates a recoverable amount for goodwill and for brand assets. The recoverable amount is the higher of the asset or cash-generating unit's fair value less costs of disposal and its value in use. Fair value is measured based on level 3 - Valuation techniques.

The Group has performed an impairment test on goodwill and other intangible assets as of 31 December 2025 and 31 December 2024 on a fair value less cost to sell basis (FVLCTS). Management has based the FVLCTS by estimating the present value of future cash flows from the budget for 2026 and forecast for the years 2027-2035. Key parameters in the forecast are expected international establishments on recurring markets and rollout, growth in revenue (Compound annual growth rate of 9.6% in the period 2025-2035), growth in expansion with more stores, cost development and expected maintenance CAPEX. Management expects to continue the expansion at the current markets. Management has applied a terminal value rate of 2%. Discount factor before tax for 2025 is 13.23% (2024: 13.7%).

The Board of Directors has approved the inputs to the impairment testing and is satisfied that the judgements made are appropriate.

The results of the impairment tests for goodwill and brand showed that the recoverable amount exceeded the carrying value and that there was no impairment loss to be recognised.

The Management has performed a sensitivity analysis on the result of the impairment test, which shows (other things being equal) that an increase of the applied WACC with 0.5%-point will not result in impairment, and that a decrease of the EBITDA-margin in the years 2026-2035 with 1.0%-point will not result in impairment.

Development projects

Completed development mainly projects include the Company's developed IT infrastructure mainly including ERP-system and related applications and customer related app with a total carrying amount of DKK 30,647 thousand. Management has not identified any evidence of impairment relative to the carrying amount of completed development projects.

Notes to the consolidated financial statements

10 PROPERTY PLANT AND EQUIPMENT

DKK 000	Plant and machinery	Fixtures and fittings, other plant and equipment	Leasehold improve-ments	Prepay-ments for property, plant and equipment	Right-of-use assets	Total
Cost						
At 31 December 2023	222.398	158.569	625.185	2.702	1.378.108	2.386.962
Additions	5.823	4.925	17.872	1.356	974	30.950
Disposals	-2.420	-1.505	-6.344	0	0	-10.268
Reassessment	0	0	0	0	-3.958	-3.958
Transferred	0	148	0	-148	0	0
Currency translation	2.710	3.614	16.163	0	28.126	50.612
At 31 December 2024	228.511	165.751	652.876	3.910	1.403.250	2.454.298
Additions	866	5.468	10.666	28.312	0	45.312
Disposals	-74.675	-144.228	-164.124	0	0	-383.027
Reassessment	0	0	0	0	24.373	24.373
Transferred	5.807	2.995	0	-20.639	0	-11.837
Currency translation	-2.743	-2.524	-13.949	0	-16.249	-35.466
At 31 December 2025	157.765	27.461	485.469	11.583	1.411.374	2.093.653
Depreciation and impairment						
At 31 December 2023	73.521	106.815	289.888	0	600.839	1.071.063
Depreciation for the year	15.863	19.333	60.726	0	111.997	207.919
Impairment losses*	0	0	0	0	1.994	1.994
Depreciation on disposed assets	-1.461	-1.312	-3.707	0	0	-6.479
Currency translation	926	2.248	12.503	0	9.500	25.177
At 31 December 2024	88.850	127.084	359.410	0	724.329	1.299.673
Depreciation for the year	16.674	15.124	59.110	0	109.760	200.668
Impairment losses*	0	0	0	0	0	0
Depreciation on disposed assets	-74.567	-143.966	-163.606	0	0	-382.140
Currency translation	-374	-1.754	-2.269	0	5.814	1.418
At 31 December 2025	30.583	-3.512	252.645	0	839.904	1.119.620
Carrying Value						
At 31 December 2023	148.876	51.754	335.297	2.702	777.270	1.315.899
At 31 December 2024	139.661	38.667	293.466	3.910	678.921	1.154.625
At 31 December 2025	127.183	30.973	232.824	11.583	571.470	974.033
Expected useful lives:	5 - 15 years	3 - 5 years	10 years		Up to 20 years	

**) Impairment losses of DKK 0 million (2024: DKK 1,9 million). The impairment loss in 2024 relates to planned exit of two leasing contracts in UK.*

Notes to the consolidated financial statements

11 OTHER NON-CURRENT ASSETS

DKK 000	Other non-current receivables
Cost	
At 31 December 2023	20.557
Additions	0
Disposals	-2.360
Currency translation	360
At 31 December 2024	18.557
Additions	0
Disposals	-1.598
Currency translation	-696
At 31 December 2025	16.263

Carrying Value	
At 31 December 2023	20.557
At 31 December 2024	18.557
At 31 December 2025	16.263

Notes to the consolidated financial statements

12 TRADE AND OTHER RECEIVABLES

DKK 000	2025	2024
Trade receivables	34.427	15.405
Other receivables	29.807	10.002
Total	64.234	25.407
Trade receivables from third-party customers	34.429	15.550
Allowance for expected credit losses	-2	-144
Total	34.427	15.405

Expected loss

The Group is according to IFRS 9 using the simplified expected credit loss model. The model implies that the expected loss over the lifetime of the asset is recognised in the profit and loss immediately and is monitored on an ongoing basis until realisation. The Group has limited overdue trade receivables and historically there has been minimal losses on trade receivables. The inputs to the expected credit loss model reflect this.

As per 31 December, 2025 the Group's impairment for expected loss is included in the trade receivables.

Expected credit loss on receivables from trade receivables for 2025 can be specified as follows:

DKK 000	Expected Loss Rate	Gross Receivable	Expected loss	Net receivable
Not Due	0,0%	9.451	0	9.451
Less than 30 days	0,0%	11.136	0	11.136
Between 31 and 60 days	0,0%	5.774	0	5.774
Between 61 and 90 days	0,0%	4.132	2	4.130
Between 91 and 120 days	0,0%	1.627	0	1.627
More than 121 days	0,0%	2.308	0	2.308
Total	0,0%	34.429	2	34.427

No significant losses were recognised during 2025.

Expected credit loss on receivables from trade receivables for 2024 can be specified as follows:

DKK 000	Expected Loss Rate	Gross Receivable	Expected loss	Net receivable
Not Due	0,0%	10.652	0	10.652
Less than 30 days	0,0%	2.449	0	2.449
Between 31 and 60 days	0,0%	1.246	0	1.246
Between 61 and 90 days	13,9%	206	29	178
Between 91 and 120 days	3,7%	457	17	440
More than 121 days	18,3%	540	99	441
Total	0,9%	15.550	144	15.405

No significant losses were recognised during 2024.

Prepayments

Prepayments amounts to DKK 22,566 thousand (2024: DKK 28,752 thousand) and include accrual of expenses relating to subsequent financial years, including subscription, service agreements, variable lease payment, insurance etc.

Notes to the consolidated financial statements

13 INVENTORIES

DKK 000	2025	2024
Raw materials	28.663	27.237
Finished goods and goods for resale	6.217	5.492
Total	34.880	32.729

No significant write-down of inventories has been realised in 2025 and 2024.

14 SHARE CAPITAL AND TRESURY SHARES

Share capital

DKK 000	2025	2024
Share capital:		
Opening balance	1.281	1.276
Capital increase	0	5
Total	1.281	1.281

The share capital consists of 16,065,700 A shares, 72,787,490 B shares, 15,013,081 C shares, 23,760,930 D Shares and 520,672 E Shares of DKK 0.01 nominal value each. Each A share carries one voting right, each B share carries ten voting rights, each C share carries one voting right, each D share carries one voting right, and each E share carries one voting point.

Treasury shares

DKK 000	Number	Nominal value	Share of capital	Purchase/ sales sum
At 31 December 2023	5.706	57	0,45%	-1.711
Purchased in the year	0	0	0,00%	0
At 31 December 2024	5.706	57	0,45%	-1.711
Bought in the year	0	0	0,00%	0
At 31 December 2025	5.706	57	0,45%	-1.711

Treasury shares are acquired, among other reasons, to be used in the incentive plan intended for members of the Executive Board, selective board members and other key employees.

15 PROVISIONS

The provisions relates to refurbishment obligations regarding leases and premises:

DKK 000	Refurbish-ment obligations
At 31 December 2023	38.881
Provisions arising in the year	0
Utilised during the year	-605
Currency translation	1.240
At 31 December 2024	39.516
Provisions arising in the year	198
Utilised during the year	0
Currency translation	-1.342
At 31 December 2025	38.372

DKK 000	2025	2024
Total current	0	0
Total non-current	38.372	39.516

Notes to the consolidated financial statements

16 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Changes in liabilities arising from financing activities

DKK 000	1 January 2025	Cash flows	Non cash flow changes*	31 December 2025
Current interest-bearing loans and borrowings	564.852	21.600	0	586.452
Lease liabilities	800.896	-119.654	-3.270	677.972
Loans from non-controlling interest	0	0	7.813	7.813
Other non-current liabilities	50.646	904	1.255	52.805
Total liabilities from financing activities	1.416.394	-97.150	5.798	1.325.042

DKK 000	1 January 2024	Cash flows	Non cash flow changes*	31 December 2024
Non-current interest-bearing loans and borrowings	539.698	24.876	278	564.852
Lease liabilities	894.095	-119.738	26.539	800.896
Shareholder loans	26.451	0	26.451	0
Other non-current liabilities	52.629	-1.983	0	50.646
Total liabilities from financing activities	1.512.873	-96.845	53.268	1.416.394

*) Non cash flow changes include interest, additions and reasessements under IFRS 16.

Contractual undiscounted cash flows:

2025	Carrying amount	Fair Value	Total	< 1 year	1 – 2 years	3 – 5 years	> 5 years
Financial liabilities:							
Financial liabilities measured at amortised costs							
Debt to credit institutions	586.452	586.452	614.308	614.308	0	0	0
Other non current financial liabilities	52.805	52.805	111.501	341	470	437	110.253
Loans from non-controlling interest	7.813	7.813	8.145	8.145	0	0	0
Trade payables	170.866	170.866	170.866	170.866	0	0	0
Total financial liabilities	817.936	817.936	904.821	793.661	470	437	110.253
Assets:							
Financial assets measured at amortised costs							
Trade and other receivables	64.234	64.234	64.234	64.234	0	0	0
Deposits	16.263	16.263	16.263	0	0	0	16.263
Cash	52.677	52.677	52.677	52.677	0	0	0
Total financial assets	133.174	133.174	133.174	116.911	0	0	16.263
Net, financial liabilities	684.762	684.762	771.647	676.750	470	437	93.990

Notes to the consolidated financial statements

16 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

2024	Carrying amount	Fair Value	Total	< 1 year	1 – 2 years	3 – 5 years	> 5 years
Financial liabilities:							
Financial liabilities measured at amortised costs							
Debt to credit institutions	564.852	564.852	591.682	591.682	0	0	0
Other non current financial liabilities	50.646	50.646	107.785	0	6.050	927	100.808
Trade payables	169.901	169.901	169.901	169.901	0	0	0
Total financial liabilities	785.399	785.399	869.368	761.583	6.050	927	100.808
Assets:							
Financial assets measured at amortised costs							
Trade and other receivables	25.407	25.407	25.407	25.407	0	0	0
Deposits	18.557	18.557	18.557	0	0	0	18.557
Cash	55.498	55.498	55.498	55.498	0	0	0
Total financial assets	99.462	99.462	99.462	80.905	0	0	18.557
Net, financial liabilities	685.937	685.937	769.906	680.678	6.050	927	82.251

Fair value

Financial liabilities consists of current/short termed liabilities and revolving credit facility. The revolving credit facility are subject to a variable interest rate. Thus, the fair value of the financial assets and liabilities measured at amortised costs is considered equal to the book value.

Financial instruments risk management, capital management

The Group’s activities expose it to a variety of financial risks: market risk (including foreign currency exchange risk and interest rate risk), credit risk, and liquidity risk. The Group has established principles for overall risk management, which seek to minimise potential adverse effects on the Group’s performance.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. For the Group, market risk comprises foreign currency risk and interest rate risk, as well as any changes in market prices impacted by the macroeconomic conditions on the financial instruments. The main risks are described as below.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group´s exposure to the risk of changes in foreign exchange rates relates primarily to the Group’s international operating activities. The Group’s revenues and expenses are mainly denominated in DKK and GBP, with limited revenues and expenses in USD. The majority of the Group’s expenses are cost of sale, employee costs, other external expenses which are denominated in the subsidiary company’s functional currency and as consequence the expenses are linked with the revenue. Since revenues and expenses to a large extent are directly linked is the Group exposure to foreign currency risk limited.

The main risk is therefore deemed to the financing of the net investments in the Group’s activities United Kingdom and United States. A negative change of 5% in the exchange rate for GBP and USD compared to DKK, will have a total effect of the result negatively by approximately DKK 6.5 million (2024: DKK 2 million) before tax. A positive change of 5% in the exchange rate for GBP and USD compared to DKK, will have a total effect of the result positively by approximately DKK 6.5 million (2024: DKK 2 million) before tax.

Notes to the consolidated financial statements

16 FINANCIAL ASSETS AND FINANCIAL LIABILITIES CONTINUED

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group’s exposure to interest rate risk arises mainly from the revolving credit facility and leases held by the Group. The Group regularly monitors its interest rate risk.

Interest rate sensitivity
The following demonstrates the sensitivity to a reasonably possible change in interest rates. With all other variables held constant, the Group’s profit before tax is affected through the impact on floating rate borrowings, as follows:

A 0.5%-point increase in interest rates of the credit facility and the lease liabilities would, all other things being equal, impact earnings before tax negatively by DKK 7.1 million (2024: DKK 7.7 million) and equity negatively by DKK 4.6 million (2024: DKK 4.9 million).

Credit risk
The Group’s sales to BtC customers are cash sales. Payment of the transaction price is due immediately when the customer purchases the goods and takes delivery in the store, alternatively, with a few days' delay in using payment cards. A minor part of the net revenue is to BtB customers and is carried out by invoicing, thereby a receivable is recognized.

The Group are using the simplified expected credit loss model according to IFRS 9. The model implies that the expected loss over the lifetime of the asset is recognised in the profit and loss immediately and is monitored on an ongoing basis until realisation. The Group has limited overdue trade receivables and historically there has been minimal losses on trade receivables. The inputs to the expected credit loss model reflects this.

Capital Management
For the purpose of the Group’s capital management, capital includes issued capital, share premium, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group’s capital management is to maximise shareholder value and to maintain an optimal capital structure. The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue new shares or return capital to shareholders.

Credit facilities (debt to credit institutions)
Management evaluates the capital structure of the Group on an ongoing basis. At 31 December 2025, the Group's interest-bearing debt to credit institutions amounted to DKK 586 million (2024: DKK 565 million) based on an overall credit facility. Covenant requirements for the credit facility have been reported on an ongoing basis. The credit facility expires in 2026. Cash and cash equivalents amounted to DKK 52 million (2024: DKK 55 million), there was a net debt of a negative DKK 534 million (2024: DKK 509 million) and DKK 678 million (2024: DKK 801 million) in leasing liabilities at 31 December 2025. The total credit facility amounts to DKK 591 million at 31 December 2025 including bank guarantees. Net unused credit facilities, amounted to approximately DKK 32 million at 31 December 2025 (2024: DKK 70 million).

This facility has an interest rate range of CIBOR + (2.75% - 4.75%) and is secured by the shares of Danish Bake A/S and Lagkagehuset A/S.

The credit facililities are subject to normal undertakings, financial covenants and other restrictions. Financial covenants consist of a NIBD/EBITDA leverage covenant and a capex covenant. As in the previous year, the group has not experienced any breaches of covenants or been close to breaching covenants throughout 2025. In connection with the credit facility extension in March 2026, the covenants have been renegotiated to reflect current budgets for 2026 and 2027.

Liquidity
In March 2026, the credit facility was renewed by Lenders and extended until January 2028.

Management is confident that the available liquidity combined with approved budgets, forecasts and business plans are sufficient for the company’s operation in 2026 and 2027.

Other non current financial liabilities
Other non current financial liabilities comprises of liabilities in connection with mainly holiday liabilities.

The Group has utilized the new legislation in Denmark which provides an option to keep paid leave under the administration of the company, as long as the paid leave is indexed each year until the employee retire. The indexing follows the market rate and is considered to be of low risk as there is an option of volunteering repayment.

Notes to the consolidated financial statements

16 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

DKK 000	2025	2024
Financial assets at amortised cost:		
Trade receivables	34.427	15.405
Deposits	16.263	18.557
Other receivables	29.807	10.002
Total financial assets	80.497	43.964
Total current	64.234	25.407
Total non-current	16.263	18.557
Financial liabilities		
Interest-bearing loans and borrowings:		
Debt to credit institutions	586.452	564.852
Other non current financial liabilities	45.863	44.608
Total interest-bearing loans and borrowings	632.315	609.460
Other financial liabilities:		
Other non current financial liabilities	6.942	6.038
Loans from non-controlling interest	7.813	0
Trade payables	170.866	169.901
Total other financial liabilities	185.621	175.939
Total current	269.919	240.496
Total non-current	639.257	615.498

17 TRADE AND OTHER PAYABLES

DKK 000	2025	2024
Trade payables	170.866	169.901
Other payables	91.240	70.595
Total	262.106	240.496

18 CHANGE IN NET WORKING CAPITAL

DKK 000	2025	2024
Change in inventories	-2.151	-2.405
Change in receivables	-40.226	-2.966
Change in trade and other payables and deferred revenue	23.713	-38.005
Total change in working capital	-18.664	-43.376

Notes to the consolidated financial statements

19 LEASING

DKK 000	Property	Equipment	Total
Leasing assets			
At 31 December 2023	765.979	11.291	777.270
Additions	0	974	974
Reassessment	-4.144	185	-3.958
Currency translation	18.300	326	18.626
Depreciation for the period	-109.289	-2.708	-111.997
Impairment losses	-1.994	0	-1.994
At 31 December 2024	668.853	10.068	678.921
Additions	0	0	0
Reassessment	23.198	1.175	24.373
Currency translation	-21.775	-288	-22.063
Depreciation for the period	-107.198	-2.562	-109.760
Impairment losses	0	0	0
At 31 December 2025	563.078	8.393	571.471

Reference is made to note 2 for a description of:
- exposure to potential cash flows
- process for determining the internal borrowing rate

DKK 000	2025	2024
Leasing liabilities		
Within one year	111.206	122.363
Between one and five years	462.529	511.268
More that five years	104.237	167.265
Total leasing liabilities	677.972	800.896
Contractual undiscounted cash flows		
Within one year	132.907	147.977
Between one and five years	517.454	584.342
More that five years	112.289	180.909
Total lease payments undiscounted	762.650	913.228
Lease liabilities recognised in the balance sheet	677.972	800.896
Current liabilities	111.206	122.363
Non-current liabilities	566.766	678.533
Lease payments in the year	144.651	149.071
Interest expenses in the year related to leases	24.997	29.333
Variable lease payments (included in other external expenses)	39.495	32.828

The Group has lease contracts for rent that contains variable payments based on revenue. The terms are negotiated by management. Since revenue and variable payments are directly linked, the Group exposure to variable payments is limited.

Notes to the consolidated financial statements

20 GROUP INFORMATION

The consolidated financial statements of the Group include the following subsidiaries:

31 December 2025

Name	Ownership
Danish Bake Group ApS	100%
Danish Bake A/S	100%
Lagkagehuset A/S	100%
Danish Bake UK Ltd.	100%
Ole & Steen Coffee Ltd.	100%
Modern Standard Coffee Ltd.	51%
Modern Standard Service Ltd.	34%
Danish Bake USA Inc.	100%
Danish Bake NYC LLC	100%
Danish Bake Broadway 873 LLC	100%
Danish Bake Intercontinental LLC	100%
Danish Bake Bryant Park LLC	100%
Danish Bake Production LLC	100%
Danish Bake Church Street LLC	100%
Danish Bake 50th Street LLC (Dormant)	100%
Danish Bake East 87th Street LLC	100%

The consolidated financial statements of the Group include the following subsidiaries:

31 December 2024

Name	Ownership
Danish Bake Group ApS	100%
Danish Bake A/S	100%
Lagkagehuset A/S	100%
Danish Bake UK Ltd.	100%
Ole & Steen Coffee Ltd.	100%
Modern Standard Coffee Ltd.	51%
Modern Standard Service Ltd.	34%
Danish Bake USA Inc.	100%
Danish Bake NYC LLC	100%
Danish Bake Broadway 873 LLC	100%
Danish Bake Intercontinental LLC	100%
Danish Bake Bryant Park LLC	100%
Danish Bake Production LLC	100%
Danish Bake Church Street LLC	100%
Danish Bake 50th Street LLC (Dormant)	100%
Danish Bake East 87th Street LLC	100%

Notes to the consolidated financial statements

21 COMMITMENTS AND CONTINGENCIES

COLLATERAL
The Group has provided the shares of the subsidiaries Danish Bake A/S and Lagkagehuset A/S as security for the revolving credit facility. As of 31 December 2025 DKK 568 million (net of cash) (2024: DKK 530 million) is drawn on the revolving credit facility including bank guarantees.

OTHER CONTINGENT LIABILITIES
Other contingent liabilities, DKK 15,168 thousand (2024: DKK 15,719 thousand), include the Group's bank guarantees in relation to leaseholds.

As customary to a group the size of Danish Bake, the Group is party to various employment disputes and subject to changes in interpretation of labor laws, etc. To the extent that reliable estimates in respect of the outcome of such can be made, the Group provide for such.

The Group has entered into physical power purchase agreements (PPAs), covering majority of expected 2026 electricity in Denmark and the United Kingdom. Total purchased volume accounts to 17 gWh with an avg. price of 0.84 DKK. The contracts, which are non-cancellable for both parties, run until 31. December 2026 for Denmark and 30. September 2026 for the United Kingdom. As at 31 December, the total contractual obligation related to physical PPAs amounts to DKK 14 million. All PPA contracts in the Group are classified as own-use contracts.

In the ordinary course of its business, the Group has service obligations as well as obligations to sell and purchase.

22 RELATED PARTY DISCLOSURES
The Group has registered the following shareholders with 5% or more equity interest:

- Cidron Garonne Limited, 60,00%, Esplanade ST, Heller Jersey JE2 3QA Jersey
- DanishBread S.à.r.l., 14,98%, 10, Rue Antoine Jans L-1820 Luxembourg

The Group's related parties with significant influence include the Group's Board of Directors, Executive Board and Key Management in the parent company and close family members of these persons. Related parties also include companies in which this circle of persons has significant interests.

Management remuneration are disclosed in note 4.

Loans from parent companies are disclosed in note 16, interest income and expenses are disclosed in note 6 and 7.

Purchase and sale of treasury notes are disclosed in note 14.

23 EVENTS AFTER THE BALANCE SHEET DATE
After the balance sheet date, the Company has agreed with its credit institutions to extend the existing financing agreement until 1 January 2028.

No other events have occurred after the balance sheet date that may materially affect the assessment of the Company’s financial position.

Parent company income statement

Note	DKK 000	2025	2024
	Other external expenses	-293	-360
	Gross Profit	-293	-360
2	Staff costs	-1.811	-1.478
	Operating profit	-2.104	-1.838
3	Financial income	4.886	70.057
4	Financial expenses	-2.442	-21
	Profit before tax	340	68.198
5	Tax for the year	-76	-15.004
	Profit for the year	264	53.194

Parent company balance sheet at 31 December

Note	DKK 000	2025	2024
	ASSETS		
	Non-current assets		
6	Investments		
	Investments in subsidiaries	2.441.435	1.516.435
		2.441.435	1.516.435
	Total non-current assets	2.441.435	1.516.435
	Current assets		
	Receivables from group entities	41.071	972.716
	Other receivables	859	855
	Cash	197	80
	Total current assets	42.127	973.651
	TOTAL ASSETS	2.483.562	2.490.086

Parent company balance sheet at 31 December

Note	DKK 000	2025	2024
	EQUITY AND LIABILITIES		
	Equity		
7	Share capital	1.281	1.281
	Share premium account	2.256.523	2.256.523
	Retained earnings	205.259	204.554
	Total equity	2.463.063	2.462.358
	Current liabilities		
	Corporation tax payable (intra-group)	76	15.004
10	Payables to group enterprises	19.073	11.140
	Trade and other payables	1.350	1.584
	Total liabilities	20.499	27.728
	TOTAL EQUITY AND LIABILITIES	2.483.562	2.490.086

1 SIGNIFICANT ACCOUNTING POLICIES
8 TREASURY SHARES
9 COMMITMENTS AND CONTINGENCIES
10 RELATED PARTY DISCLOSURES
11 RECOMMENDED APPROPRIATION OF PROFIT

Parent company statement of changes in equity

DKK 000	Share Capital	Share Premium	Retained Earnings	Total
Equity at 1 January 2025	1.281	2.256.523	204.554	2.462.358
Group contribution	0	0	441	441
Transfer through appropriation of profit	0	0	264	264
Equity at 31 December 2025	1.281	2.256.523	205.259	2.463.063

Notes to the parent financial statements

1 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The Parent company financial statements for 2025 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

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

Omission of a cash flow statement
With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement.

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

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

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

Income statement

Other external expenses
Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to administration etc.

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

Profit from investments in subsidiaries
The item includes dividends from investments in subsidiaries and associates. Dividend distributions that either exceed the profit for the year or where the carrying amount of the investments exceeds the consolidated carrying amounts of the subsidiary's net assets will indicate impairment for which reason an impairment test will have to be conducted.

The item includes dividend received from subsidiaries.

Financial income and expenses
Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance payment of tax scheme, etc.

Tax
Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Investments in subsidiaries
Investments in subsidiaries and associates are measured at cost, which includes the cost of acquisition calculated at fair value plus direct costs of acquisition. If there is evidence of impairment, an impairment test is conducted. Where the carrying amount exceeds the recoverable amount, a write down is made to such lower value.

Notes to the Parent financial statements

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment testing of non-current assets
The carrying amount of investments in subsidiaries is assessed for impairment on an annual basis.

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

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

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

Receivables
Receivables are measured at amortised cost.

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

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

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

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

Cash
Cash comprise cash at banks.

Equity
Share premium
Share premium can be used for dividend.

Treasury shares
Purchases and sales of treasury shares are taken directly to equity under "Retained earnings".

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

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

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

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

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

Other liabilities are measured at net realisable value.

Notes to the Parent financial statements

2 STAFF COSTS

DKK 000	2025	2024
Wages and salaries	-1.811	-1.478
Total staff costs	-1.811	-1.478
Average number of full-time employees	0	0

Please refer to note 4 in consolidated financial statements for disclosure of remuneration to the Executive Board and Board of Directors.

3 FINANCIAL INCOME

DKK 000	2025	2024
Interest income, group entities	4.884	70.051
Other interest income	2	6
Total financial income	4.886	70.057

4 FINANCIAL EXPENSES

DKK 000	2025	2024
Interest expenses concerning priori year shareholder loan	1.237	0
Interest expenses, group entities	1.116	0
Other financial expenses	89	21
Total financial expenses	2.442	21

5 TAX FOR THE YEAR

DKK 000	2025	2024
Tax charge for the year	76	15.004
Total	76	15.004

6 INVESTMENTS

DKK 000	Investment in subsidiaries
Cost	
Cost at 1 January 2025	1.516.435
Additions in the year	925.000
At 31 December 2025	2.441.435
Carrying Value	
At 31 December 2025	2.441.435

Please refer to note 20 in consolidated financial statement for group information.

Notes to the Parent financial statements

7 SHARE CAPITAL

DKK 000	2025	2024	2023	2022
Share capital:				
Opening balance	1.281	1.276	1.267	1.212
Capital increase	0	5	9	55
Total	1.281	1.281	1.276	1.267

The share capital consists of 16,065,700 A shares, 72,787,490 B shares, 15,013,081 C shares, 23,760,930 D Shares and 520,672 E Shares of DKK 0.01 nominal value each.

Each A share carries one voting right, each B share carries ten voting rights, each C share carries one voting right, each D share carries one voting right, and each E share carries one voting point.

8 TREASURY SHARES

DKK 000	Number	Nominal value	Share of capital	Purchase/ sales sum
At 31 December 2024	5.706	57	0,00%	588
Purchased in the year	0	0	0,00%	0
At 31 December 2025	5.706	57	0,00%	588

Treasury shares are acquired, among other reasons, to be used in the incentive plan intended for members of the Executive Board and other key employees.

9 COMMITMENTS AND CONTINGENCIES

COLLATERAL

The Company has provided the shares of the subsidiaries Danish Bake A/S and Lagkagehuset A/S as security for the revolving credit facility. As of 31 December 2025 DKK 568 million (net of cash) (2024: DKK 530 million) is drawn on the revolving credit facility including bank guarantees.

OTHER CONTINGENT LIABILITIES

As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally with other jointly taxed group entities for payment of income taxes as well as withholding taxes.

10 RELATED PARTY DISCLOSURES

The Group has registered the following shareholders with 5% or more equity interest:

- Cidron Garonne Limited, 60,00%, Esplanade ST, Heller Jersey JE2 3QA Jersey
- DanishBread S.à.r.l., 14,98%, 10, Rue Antoine Jans L-1820 Luxembourg

The Group's related parties with significant influence include the Group's Board of Directors, Executive Board and Key Management in the parent company and close family members of these persons. Related parties also include companies in which this circle of persons has significant interests.

Refer to note 23 of the consolidated financial statements regarding the related party transactions.

11 RECOMMENDED APPROPRIATION OF PROFIT

DKK 000	2025	2024
Recommended appropriation of profit:		
Retained earnings	264	53.194
Total	264	53.194