RAINS ApS

Jens Olsens Vej 13, Skejby, 8200 Aarhus N

Company reg. no. 34 47 61 87

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 28 June 2022.

Daniel Brix Hesselager
Chairman of the meeting

Contents

Notes:

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

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of RAINS ApS for the financial year 1 January - 31 December 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2021.

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

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

Aarhus N, 28 June 2022

Managing Director

Jan Stig Andersen

Board of directors

Daniel Brix Hesselager

Kenneth Davids

Philip Lotko Wormslev

Independent auditor's report

To the Shareholders of RAINS ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of RAINS ApS for the financial year 1 January to 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group the Parent Company, as well as consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group´s and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group´s and the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group´s and the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements and the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

Independent auditor's report

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

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

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

Statement on Management's Review
Management is responsible for Management's Review.

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

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

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

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

Aarhus, 28 June 2022

Redmark
Godkendt Revisionspartnerselskab
Company reg. no. 29 44 27 89

Henrik Sondrup
State Authorised Public Accountant
mne31446

Company information

The company	RAINS ApS Jens Olsens Vej 13, Skejby 8200 Aarhus N	
	Company reg. no.	34 47 61 87
	Financial year:	1 January - 31 December
Board of directors	Daniel Brix Hesselager Kenneth Davids Philip Lotko Wormslev	
Managing Director	Jan Stig Andersen	
Auditors	Redmark Godkendt Revisionspartnerselskab Sommervej 31C 8210 Aarhus V	
Parent company	Hesselager Holding ApS	
Subsidiaries	Rains USA INC., USA Rains Shanghai Trade Co. Ltd., Kina Rains Norway AS, Norge Rains International Ltd., England Rains Germany GmbH, Tyskland Rains Sweden AB, Sverige Drip Dutch B.V., Nederlandene ISOG ApS, Danmark	

Consolidated financial highlights

DKK in thousands.	2021	2020	2019	2018	2017
Income statement:					
Gross profit	120.617	78.858	63.727	50.678	45.308
Profit from operating activities	69.667	41.889	26.562	26.413	30.577
Net financials	2.398	-1.352	-227	455	-1.335
Net profit or loss for the year	56.464	30.239	20.315	20.955	22.457
Statement of financial position:					
Balance sheet total	211.857	133.513	114.757	82.285	59.141
Investments in property, plant and equip-ment	8.316	7.001	4.204	2.311	3.385
Equity	108.885	72.755	52.506	52.224	41.311
Cash flows:					
Operating activities	56.127	36.100	35.091	6.404	17.421
Investing activities	-13.145	-8.600	-5.695	-3.167	-5.789
Financing activities	-20.060	-23.721	-11.852	-7.312	-8.090
Total cash flows	22.922	3.779	17.544	-4.075	3.543
Employees:					
Average number of full-time employees	103	69	61	57	39
Key figures in %:					
Return on equity investment	40,3	33,7	27,0	37,4	62,8
Acid test ratio	182,7	192,3	166,3	245,7	297,6
Solvency ratio	51,4	54,5	45,8	63,5	69,9
Return on equity	62,2	48,3	38,8	44,8	64,0

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures appearing from the survey have been calculated as follows:

Return on equity investment $\frac{\text{Results from primary activities (EBIT) x 100}}{\text{Average invested capital}}$

Invested capital Operational intangible and tangible fixed assets and net working capital

Acid test ratio $\frac{\text{Current assets x 100}}{\text{Short-term liabilities}}$

Consolidated financial highlights

Equity share	$\frac{\text{Equity, closing balance x 100}}{\text{Assets in total, closing balance}}$
Return on equity	$\frac{\text{Results for the year x 100}}{\text{Average equity}}$

Management´s review

The principal activities of the group

Rains is a Danish outerwear and lifestyle company originating from a modern reinterpretation of the classic rubber raincoat. Since its establishment in 2012, the company has thoughtfully widened its concept across product categories and fabric innovations to build a comprehensive offering of distinctly recognizable designs.

With Scandinavian metropolises as the main scene of the brand, focusing on a young streetwear inspired approach to communication, Rains has achieved a high level of recognition and credibility, balancing commercial success and accessibility with strong integrity and brand equity.

Through a multidisciplinary approach throughout its value-chain, Rains builds upon a balanced business model of a fully vertical supply chain and distribution channels. With own and operated specialized factories, internal sales subsidiaries, regional distribution centers, and strong retail and E-commerce performance, Rains maintains a high level of control and efficiency. Combined with a strong network of selected wholesale partners, Rains has steadily increased its value propositions achieving a unique position in the market.

The company headquarters are located in Skejby, Aarhus, with regional headquarters in New York and Shanghai. By the end of 2021, the parent company was employing 60 fulltime employees, and the company's 8 international subsidiaries employed 43 full-time employees.

Unusual matters

There have been no unusual circumstances that have affected the company's activity during the financial year.

Uncertainties as to recognition or measurement

There are no significant uncertainties in the recognition and measurement of assets and liabilities other than conditions related to normal operating activity.

Development in activities and financial matters

In 2021, Rains delivered an organic revenue growth of 45% compared to 2020. The revenue growth was reflected in an increase in the EBIT margin from 14,7% in 2020 to 18,0%. The result before tax increased 80% and represented DKK 72m versus DKK 40m in 2020.

In 2021, Rains experienced growth across all markets with high sell-through performance. The key markets were UK, Germany, France, and Scandinavia. The share of export is more than 90%.

The supply chain was affected by temporary delivery delays due to a 6-week lockdown of the company's factories caused by Covid-19. Despite this situation, the factories quickly regained momentum and through proactive supply-chain management, delays were limited to the end of year.

The management consider the financial performance satisfactory.

Management´s review

Throughout the year, Rains experienced significant growth, driven mainly by its online sales and strong wholesale distribution. The traffic into physical retail resurged over the year, but the repercussions of Covid-19 limited the performance in segments of the wholesale distribution and own retail. As a natural consequence, retail expansion was limited to establishing two important stores in Hamburg, Germany, while further resources were allocated to optimizing the existing brand presence.

In 2021, Rains has established its own sales subsidiary in the Netherlands and executed takeover of the distribution in France, Canada, and USA. The market integration is part of the company's strategy of controlling the distribution to leverage the brand positioning and performance. Local facilities and showrooms were established during the year, including a master-showroom in connection to our Copenhagen flagship store.

The company's own E-commerce sales continued to deliver strong growth, by doubling revenue compared to 2020. Online sales accounted for 26% of the company revenue in 2021. The online presence continues to play a key role in the company and brand strategy, which is strongly reflected in sales and marketing activities.

In 2021, Rains presented two seasonal digital show experiences, presenting new product categories, fabric innovations and designs in a highly aesthetic staging. The shows reflected a more international and self-confident brand profile indicating Rains' future brand direction.

Financial risks

Operational risks

It is assessed that the group is not exposed to special operational risks, seen in relation to similar companies in the industry.

Environmental issues

Rains works focused on a sustainability strategy that focuses on strengthening and securing the future the company. The latest sustainability goals are available at rains.com and the work will be ongoing intensified. Sustainability is a natural part of the business. A strong sustainability strategy is going across the company - from the choice of materials in production to how we handle waste in the shops.

The expected development

Over the past years, Rains has made strategic investments designed to deliver growth in the long term. Rains has built a robust organization, created stronger and broader collections, and executed several key market integrations, positioning Rains for significant future growth. The 2025 strategy is designed to drive sustainable top- and bottom-line growth by leveraging our key assets: strong brand awareness, a global distribution network and innovative lifestyle collections. We see significant, untapped growth potential within our core business and core market. We will invest significantly in the North American region in the coming years. Rains expects more than 40% revenue growth in 2022. This is expected to be achieved through continued focus on product innovation, investment in further digitalization, opening of Rains retail stores and continued implementation of selective distribution.

Management´s review

Events subsequent to the financial year

There are no significant events other than conditions related to normal operating activity.

Income statement 1 January - 31 December

All amounts in DKK.

Note		Group 2021	Group 2020	Parent 2021	Parent 2020
	Gross profit	**120.616.729**	**78.858.066**	**101.258.815**	**76.603.262**
1	Staff costs	-44.720.653	-32.803.001	-32.059.316	-26.255.793
2	Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-6.229.108	-4.165.649	-4.587.833	-2.821.541
	Operating profit	**69.666.968**	**41.889.416**	**64.611.666**	**47.525.928**
	Income from investments in subsidiaries	0	0	3.754.217	-6.041.938
	Income from investments in associates	0	0	139.468	-7.049
	Other financial income from subsidiaries	0	0	531.614	467.601
	Other financial income	3.035.838	41.048	3.014.552	40.625
3	Other financial expenses	-637.833	-1.392.594	-631.807	-1.498.687
	Pre-tax net profit or loss	**72.064.973**	**40.537.870**	**71.419.710**	**40.486.480**
4	Tax on ordinary results	-15.600.913	-10.298.662	-14.955.650	-10.247.272
5	**Net profit or loss for the year**	**56.464.060**	**30.239.208**	**56.464.060**	**30.239.208**

Balance sheet at 31 December

All amounts in DKK.

Assets

Note		Group 2021	Group 2020	Parent 2021	Parent 2020
	Non-current assets				
6	Acquired concessions, patents, licenses, trademarks, and similar rights	256.773	322.203	256.773	322.203
7	Goodwill	7.097.060	3.239.344	6.482.715	3.239.344
	Total intangible assets	7.353.833	3.561.547	6.739.488	3.561.547
8	Property	803.963	0	0	0
9	Other fixtures and fittings, tools and equipment	12.032.660	10.044.060	9.160.892	6.439.800
	Total property, plant, and equipment	12.836.623	10.044.060	9.160.892	6.439.800
10	Investments in subsidiaries	0	0	6.077.476	918.212
11	Other debtors	3.493.942	3.163.177	2.096.065	1.536.463
	Total investments	3.493.942	3.163.177	8.173.541	2.454.675
	Total non-current assets	**23.684.398**	**16.768.784**	**24.073.921**	**12.456.022**
	Current assets				
	Raw materials and consumables	67.315.799	42.259.540	57.809.275	36.454.036
	Total inventories	67.315.799	42.259.540	57.809.275	36.454.036
	Trade debtors	65.383.954	43.103.201	57.668.813	35.299.824
	Receivables from subsidiaries	0	0	19.986.594	12.072.792
12	Deferred tax assets	404.000	0	404.000	0
	Other debtors	525.491	45.735	522.055	32.286
13	Prepayments	4.753.109	4.467.090	4.012.458	4.084.393
	Total receivables	71.066.554	47.616.026	82.593.920	51.489.295
	Cash and cash equivalents	49.790.230	26.868.438	34.215.619	20.594.495
	Total current assets	**188.172.583**	**116.744.004**	**174.618.814**	**108.537.826**
	Total assets	**211.856.981**	**133.512.788**	**198.692.735**	**120.993.848**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	Group 2021	Group 2020	Parent 2021	Parent 2020
	Equity				
	Contributed capital	108.000	108.000	108.000	108.000
	Retained earnings	80.777.015	52.646.880	80.777.015	52.646.880
	Proposed dividend for the financial year	28.000.000	20.000.000	28.000.000	20.000.000
	Total equity	**108.885.015**	**72.754.880**	**108.885.015**	**72.754.880**
	Provisions				
	Provisions for deferred tax	0	53.000	0	53.000
14	Provisions for participating interests	0	0	118.818	810.312
	Total provisions	**0**	**53.000**	**118.818**	**863.312**
	Liabilities other than provisions				
	Bank debts	904.032	964.051	696.384	765.006
	Prepayments received from customers	0	118.217	0	118.217
	Trade payables	90.437.840	47.220.729	79.823.666	35.269.233
	Payables to subsidiaries	253.607	0	530.745	7.597
	Income tax payable	1.976.464	4.306.028	1.382.650	4.238.272
	Other payables	9.400.023	8.095.883	7.255.457	6.977.331
	Total short term liabilities other than provisions	102.971.966	60.704.908	89.688.902	47.375.656
	Total liabilities other than provisions	**102.971.966**	**60.704.908**	**89.688.902**	**47.375.656**
	Total equity and liabilities	**211.856.981**	**133.512.788**	**198.692.735**	**120.993.848**

15 Charges and security

16 Contingencies

17 Related parties

Consolidated statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2020	108.000	52.398.311	0	52.506.311
Profit or loss for the year brought forward	0	239.208	20.000.000	20.239.208
Extraordinary dividend in the financial year	0	10.000.000	0	10.000.000
Distributed extraordinary dividend	0	-10.000.000	0	-10.000.000
Currency elimination	0	9.361	0	9.361
Equity 1 January 2021	108.000	52.646.880	20.000.000	72.754.880
Distributed dividend	0	0	-20.000.000	-20.000.000
Profit or loss for the year brought forward	0	28.464.060	28.000.000	56.464.060
Currency elimination	0	-333.925	0	-333.925
	108.000	**80.777.015**	**28.000.000**	**108.885.015**

Statement of changes in equity of the parent

All amounts in DKK.

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2020	108.000	52.398.311	0	52.506.311
Profit or loss for the year brought forward	0	239.208	20.000.000	20.239.208
Extraordinary dividend in the financial year	0	10.000.000	0	10.000.000
Distributed extraordinary dividend	0	-10.000.000	0	-10.000.000
Currency elimination	0	9.361	0	9.361
Equity 1 January 2021	108.000	52.646.880	20.000.000	72.754.880
Distributed dividend	0	0	-20.000.000	-20.000.000
Profit or loss for the year brought forward	0	28.464.060	28.000.000	56.464.060
Currency elimination	0	-333.925	0	-333.925
	108.000	**80.777.015**	**28.000.000**	**108.885.015**

Statement of cash flows 1 January - 31 December

All amounts in DKK.

Note		Group 2021	2020
	Net profit or loss for the year	56.464.060	30.239.208
18	Adjustments	19.432.016	15.815.858
19	Change in working capital	-3.780.080	540.935
	Cash flows from operating activities before net financials	72.115.996	46.596.001
	Interest received, etc.	2.995.507	41.048
	Interest paid, etc.	-597.493	-1.392.594
	Cash flows from ordinary activities	74.514.010	45.244.455
	Income tax paid	-18.387.477	-9.144.365
	Cash flows from operating activities	**56.126.533**	**36.100.090**
	Purchase of intangible assets	-4.713.012	-1.308.961
	Purchase of property, plant, and equipment	-8.316.445	-7.000.674
	Sale of property, plant, and equipment	215.500	240.642
	Purchase of fixed asset investments	-601.602	-530.716
	Sale of fixed asset investments	270.837	0
	Cash flows from investment activities	**-13.144.722**	**-8.599.709**
	Dividend paid	-20.000.000	-10.000.000
	Changes in short-term gæld til pengeinstitutter	-60.019	-13.721.185
	Cash flows from investment activities	**-20.060.019**	**-23.721.185**
	Change in cash and cash equivalents	**22.921.792**	**3.779.196**
	Cash and cash equivalents at 1 January 2021	26.868.438	23.089.242
	Cash and cash equivalents at 31 December 2021	**49.790.230**	**26.868.438**

Cash and cash equivalents		
Cash and cash equivalents	49.790.230	26.868.438
Cash and cash equivalents at 31 December 2021	**49.790.230**	**26.868.438**

Notes

All amounts in DKK.

		Group 2021	Group 2020	Parent 2021	Parent 2020
1.	**Staff costs**				
	Salaries and wages	40.637.066	30.253.757	29.689.325	24.473.020
	Pension costs	1.996.635	1.606.075	1.912.250	1.588.448
	Other costs for social security	2.086.952	943.169	457.741	194.325
		44.720.653	**32.803.001**	**32.059.316**	**26.255.793**
	Average number of employees	103	69	60	47

Information for remuneration to the Executive Board is not disclosed. Reference is made to section 98b (1) of the Danish Financial Statements Act. 3.

		Group 2021	Group 2020	Parent 2021	Parent 2020
2.	**Depreciation, amortisation and writedown relating to tangible and intangible fixed assets**				
	Amortisation of concessions, patents and licences	65.430	65.430	65.430	65.430
	Amortisation of goodwill	855.296	400.018	752.905	400.018
	Depreciation on decoration of rented premises	3.518.501	2.472.848	2.521.710	1.594.738
	Depreciation on plants, operating assets, fixtures and furniture	1.686.916	1.208.251	1.147.055	742.253
	Profit/loss on sale of intangible fixed assets	102.965	19.102	100.733	19.102
		6.229.108	**4.165.649**	**4.587.833**	**2.821.541**

		Group 2021	Group 2020	Parent 2021	Parent 2020
3.	**Other financial expenses**				
	Other financial costs	637.833	1.392.594	631.807	1.498.687
		637.833	**1.392.594**	**631.807**	**1.498.687**

Notes

All amounts in DKK.

	Group 2021	Group 2020	Parent 2021	Parent 2020
4. Tax on ordinary results				
Tax of the results for the year, parent company	16.057.913	10.283.941	15.412.650	10.238.272
Adjustment for the year of deferred tax	-457.000	14.721	-457.000	9.000
	15.600.913	**10.298.662**	**14.955.650**	**10.247.272**

	Parent 2021	Parent 2020
5. Proposed appropriation of net profit		
Extraordinary dividend adopted during the financial year	0	10.000.000
Dividend for the financial year	28.000.000	20.000.000
Transferred to retained earnings	28.464.060	239.208
Total allocations and transfers	**56.464.060**	**30.239.208**

6. Acquired concessions, patents, licenses, trademarks, and similar rights				
Cost 1 January 2021	566.383	566.383	555.603	555.603
Cost 31 December 2021	**566.383**	**566.383**	**555.603**	**555.603**
Amortisation and writedown 1 January 2021	-244.180	-178.750	-233.400	-167.970
Amortisation and writedown for the year	-65.430	-65.430	-65.430	-65.430
Amortisation and writedown 31 December 2021	**-309.610**	**-244.180**	**-298.830**	**-233.400**
Carrying amount, 31 December 2021	**256.773**	**322.203**	**256.773**	**322.203**

Notes

All amounts in DKK.

		Group		Parent	
		31/12 2021	31/12 2020	31/12 2021	31/12 2020
7.	**Goodwill**				
	Cost 1 January 2021	4.103.006	2.794.045	4.103.006	2.794.045
	Additions during the year	4.713.012	1.308.961	3.996.276	1.308.961
	Cost 31 December 2021	**8.816.018**	**4.103.006**	**8.099.282**	**4.103.006**
	Amortisation and writedown 1 January 2021	-863.662	-463.644	-863.662	-463.644
	Amortisation and writedown for the year	-855.296	-400.018	-752.905	-400.018
	Amortisation and writedown 31 December 2021	**-1.718.958**	**-863.662**	**-1.616.567**	**-863.662**
	Carrying amount, 31 December 2021	**7.097.060**	**3.239.344**	**6.482.715**	**3.239.344**
8.	**Property**				
	Additions during the year	803.963	0	0	0
	Cost 31 December 2021	**803.963**	**0**	**0**	**0**
	Carrying amount, 31 December 2021	**803.963**	**0**	**0**	**0**
	Lease assets are recognised at a carrying amount of	0	0	0	0

Notes

All amounts in DKK.

		Group		Parent	
		31/12 2021	31/12 2020	31/12 2021	31/12 2020
9.	**Other fixtures and fittings, tools and equipment**				
	Cost 1 January 2021	16.225.458	9.610.437	10.740.342	6.002.948
	Additions during the year	7.512.482	7.000.674	6.490.592	4.882.405
	Disposals during the year	-581.298	-385.653	-581.298	-145.011
	Cost 31 December 2021	**23.156.642**	**16.225.458**	**16.649.636**	**10.740.342**
	Depreciation and writedown 1 January 2021	-6.181.398	-2.626.208	-4.300.542	-2.089.461
	Depreciation and writedown for the year	-5.205.417	-3.681.100	-3.668.765	-2.336.991
		262.833	125.910	480.563	125.910
	Depreciation and writedown 31 December 2021	**-11.123.982**	**-6.181.398**	**-7.488.744**	**-4.300.542**
	Carrying amount, 31 December 2021	**12.032.660**	**10.044.060**	**9.160.892**	**6.439.800**
	Lease assets are recognised at a carrying amount of	0	0	0	0

Notes

All amounts in DKK.

		Group		Parent	
		31/12 2021	31/12 2020	31/12 2021	31/12 2020
10.	**Investments in subsidiaries**				
	Acquisition sum, opening balance 1 January 2021	0	0	1.175.944	453.334
	Additions during the year	0	0	2.921.263	722.610
	Cost 31 December 2021	**0**	**0**	**4.097.207**	**1.175.944**
	Revaluations, opening balance 1 January 2021	0	0	-6.738.708	-699.083
	Translation by use of the exchange rate valid on b	0	0	-333.925	9.362
	Results for the year before goodwill amortisation	0	0	3.893.686	-6.048.987
	Revaluation 31 December 2021	**0**	**0**	**-3.178.947**	**-6.738.708**
	Offsetting against debtors	0	0	5.040.398	5.670.664
	Transferred to provisions	0	0	118.818	810.312
	Set off against debtors and provisions for liabilities	**0**	**0**	**5.159.216**	**6.480.976**
	Carrying amount, 31 December 2021	**0**	**0**	**6.077.476**	**918.212**
	The item includes goodwill with an amount of	0	0	0	0

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	**Equity**	**Results for the year**	**Carrying amount, RAINS ApS**
Rains USA INC., USA	100 %	-4.841.528	543.438	0
Rains Shanghai Trade Co. Ltd., Kina	100 %	2.970.499	1.544.708	2.970.499
Rains Norway AS, Norge	100 %	1.976.864	1.106.207	1.976.864
Rains International Ltd., England	100 %	806.365	715.697	806.365
Rains Germany GmbH, Tyskland	100 %	172.915	211.738	172.915
Rains Sweden AB, Sverige	100 %	150.708	139.468	150.708
Drip Dutch B.V., Nederlandene	100 %	-317.688	-317.696	0
ISOG ApS, Danmark	100 %	125	-49.875	125

Notes

All amounts in DKK.

		Group		Parent	
		31/12 2021	31/12 2020	31/12 2021	31/12 2020
11.	**Other debtors**				
	Cost 1 January 2021	3.163.177	2.632.461	1.536.463	1.416.280
	Additions	601.602	530.716	601.602	120.183
	Disposals	-270.837	0	-42.000	0
	Cost 31 December 2021	**3.493.942**	**3.163.177**	**2.096.065**	**1.536.463**
	Book value 31 December 2021	**3.493.942**	**3.163.177**	**2.096.065**	**1.536.463**
	Der specificeres således:				
	Other debtors	3.493.942	3.163.177	2.096.065	1.536.463
		3.493.942	**3.163.177**	**2.096.065**	**1.536.463**

12.	**Deferred tax assets**				
	Deferred tax assets 1 January 2021	-53.000	-38.279	-53.000	-44.000
	Deferred tax of the results for the year	457.000	-14.721	457.000	-9.000
		404.000	**-53.000**	**404.000**	**-53.000**
	The following items are subject to deferred tax:				
	Intangible assets	-20.000	-17.000	-20.000	-17.000
	Property, plant, and equipment	71.000	-36.000	71.000	-36.000
	Investments	356.000	0	356.000	0
	Current assets	-3.000	0	-3.000	0
		404.000	**-53.000**	**404.000**	**-53.000**

Notes

All amounts in DKK.

13. Prepayments

Prepaid insurance	1.778.988	1.456.599	1.315.747	1.242.236
Other Prepayments	2.974.121	2.338.689	2.696.711	2.170.355
Commission	0	671.802	0	671.802
	4.753.109	**4.467.090**	**4.012.458**	**4.084.393**

14. Provisions for participating interests

Provision regarding subsidiariess	0	0	118.818	810.312
	0	**0**	**118.818**	**810.312**
Maturity is expected to be:				
1-5 years	0	0	118.818	810.312
	0	**0**	**118.818**	**810.312**

15. Charges and security

For bank debts, DKK 695.000, the parent company has provided security in parent company assets representing a nominal value of DKK 1.000.000. This security comprises the below assets, stating the book values:

Inventories	DKK 57.809.000
Receivable from sales and services	DKK 57.669.000
Other fixtures and fittings, tools and equipment	DKK 9.161.000
Intangible rights	DKK 6.739.000

Notes

All amounts in DKK.

16. Contingencies

Contingent liabilities

The Parant company has entered into leasing contracts with an total outstanding leasing payment DKK 305.000.

The Group has entered into leasing contracts with an total outstanding leasing payment DKK 1.049.000.

The Parant company has entered lease (rent) agreements with an total outstanding lease payment DKK 25.473.000. The Parant company has guarantee for subsidiaries' lease (rent) DKK 19.961.000.

The Group has entered lease (rent) agreements with an total outstanding lease payment DKK 45.434.000.

Guarantee commitments and other contingent liabilities:
For rent commitments through the bank, the Parant company and the Group has provided a total bank guarantee DKK 11.524.000.

The parent company and the group has guaranteed a subsidiary's bank credit of 90 t.US dollars. The subsidiary's bank accounts show deposits per. 31 December 2021, which is why the credit has not been used.

Foreign Exchange Products:

The Parant company has entered into Foreign Exchange Products totaling 850 t. Eur where the balance per. 31 December 2021 shows a loss of DKK 13,000.

Joint taxation

With Hesselager Holding ApS, company reg. no 34472785 as administration company, the company is subject to the Danish scheme of joint taxation and is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligations to withhold tax on interest, royalties, and dividends of the jointly taxed companies.

The liabilities amount to a maximum amount corresponding to the share of the company capital, which is owned directly or indirectly by the ultimate parent company.

The joint taxation of the jointly taxed companies in the joint taxation appears in the management company's annual report.

Notes

All amounts in DKK.

16. Contingencies (continued)

Joint taxation (continued)

The liability relating to obligations in connection with withholding tax on dividends, interest, and royalties represents an estimated maximum of DKK 0.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

17. Related parties

Controlling interest

Hesselager Holding ApS, Krathusvej 3, 8240 Risskov.	Majority shareholder

Transactions

The company in the RAINS ApS Group has during the financial year had transactions on market terms.
Transactions with related parties have been made on market terms, whereby no further disclosure is made in accordance with section §98C of the Danish Financiel Statements Act.

Consolidated annual accounts

The company is included in the consolidated annual accounts of Hesselager Holding ApS, Krathusvej 3, 8240 Risskov.

18. Adjustments

Depreciation, amortisation, and impairment	6.229.108	4.165.650
Other financial income	-3.035.838	-41.048
Other financial expenses	637.833	1.392.594
Tax on ordinary results	15.600.913	10.298.662
	19.432.016	**15.815.858**

Notes

All amounts in DKK.

		Group 2021	2020
19.	**Change in working capital**		
	Change in inventories	-25.056.259	-2.842.114
	Change in receivables	-23.046.528	-7.700.740
	Change in trade payables and other payables	44.322.707	11.083.789
		-3.780.080	**540.935**

Accounting policies

The annual report for RAINS ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

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

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the group is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the group is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Foreign currency translation

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

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

The consolidated financial statements

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

Consolidation policies

Accounting policies

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

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

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

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

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

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

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise. Furthermore, this item comprises received subsidies, damages, and compensation due to the coronavirus situation.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

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

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

Accounting policies

Financial income and expenses

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

Results from investments in subsidiaries

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

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The parent and the Danish group enterprises are subject to the Danish rules on compulsory joint taxation of the consolidated Danish enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Intangible assets

Development projects, patents, and licences

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 5 - 7 years.

Goodwill

Acquired goodwill is measured at cost with deduction of accumulated amortisation.

Goodwill is amortised over the estimated useful life, which is determined on the basis of management's experience in the individual business areas. Goodwill is amortised on a straightline basis over the amortisation period, which is set at between 7 years. The amortisation period is determined on the basis of an expected pay-back period, being the longer for strategical acquirees with a strong market position and an expected longterm earnings profile.

Accounting policies

Property, plant, and equipment

Property is measured at cost plus revaluations and less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

The depreciable amount is cost plus revaluations at fair value less expected residual value after the end of the useful life of the asset. The amortisation period is fixed at the acquisition date and reassessed annually. If the residual value exceeds the carrying mount of the asset, depreciation is discontinued.

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

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

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

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

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

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

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

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

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

Impairment loss relating to non-current assets

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

Accounting policies

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

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

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Financial fixed assets

Investments in subsidiaries

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

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

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterpriseswith a strong market position and a long-term earnings profile.

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

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

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

Accounting policies

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Deposits
Deposits are measured at amortised cost and represent rent deposits, etc.

Inventories
Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

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

Receivables
Receivables are measured at amortised cost, which usually corresponds to nominal value.

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

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and on hand.

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

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

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Income tax receivable” or “Income tax payable”.

According to the rules of joint taxation, RAINS ApS is proportionally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

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

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

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

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

Provisions

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the group's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under “Interest income and dividend received”.

Accounting policies

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the group's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and shortterm financial instruments with a term of less than 3 months, which can easily be converted into cash and cash equivalents and are associated with an insignificant risk of value change.

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

Jan Stig Andersen
Direktør
Serienummer: PID:9208-2002-2-960692433876
IP: 217.63.xxx.xxx
2022-06-28 12:46:40 UTC
NEM ID

Philip Lotko Wormslev
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-055944716848
IP: 217.63.xxx.xxx
2022-06-28 13:12:11 UTC
NEM ID

Daniel Brix Hesselager
Dirigent
Serienummer: PID:9208-2002-2-361355008425
IP: 77.241.xxx.xxx
2022-06-28 13:15:05 UTC
NEM ID

Daniel Brix Hesselager
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-361355008425
IP: 77.241.xxx.xxx
2022-06-28 13:15:05 UTC
NEM ID

Kenneth Davids
Bestyrelsesmedlem
Serienummer: 621ae7c1-963e-4b09-b045-2511742d8101
IP: 82.102.xxx.xxx
2022-06-28 15:05:41 UTC
MitID

Henrik Sondrup
Statsautoriseret revisor
På vegne af: Redmark Godkendt Revisionspartnerselskab
Serienummer: CVR:29442789-RID:36419830
IP: 40.113.xxx.xxx
2022-06-28 15:06:21 UTC
NEM ID