LION P Holdco ApS

Stensgårdvej 9
DK-5500 Middelfart

CVR no. 40 51 85 09

Annual report 2022

The annual report was presented and adopted at the Company's annual general meeting

On 13 July 2023

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Torben Ballegaard Sørensen
chairman of the annual general meeting

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of LION P Holdco ApS for the financial year 1 January – 31 December 2022.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2022.

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

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

Middelfart, 13 July 2023
Executive Board:

Andreas Steinacher

Board of Directors:

Torben Ballegard Sørensen Chairman	Anne Dorthe Hjort Petersen	Andreas Steinacher

Oskar Emanuel Lindholm-Wu

Independent auditor's report

To the shareholders of LION P Holdco

Opinion

We have audited the consolidated financial statements and the parent company financial statements of LION P Holdco ApS for the financial year 1 January – 31 December 2022 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and 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 Group's and the Parent Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2022 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 responsibility 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 that 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.

Independent auditor's report

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.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 judgement and maintain professional scepticism 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 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 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 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 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 the Management's review

Management is responsible for the Management's review.

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

In connection with our audit of the consolidated financial statements and the parent company 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 consolidated financial statements or 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the consolidated financial statements and the parent company financial statements and has been prepared in accordance with the requirements of the Danish

Financial Statement Act. We did not identify any material misstatement of the Management's review.

Fredericia, 13 July 2023
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Nikolaj Møller Hansen
State Authorised
Public Accountant
mne33220

Management's review

Company details

LION P Holdco ApS
Stensgårdvej 9
DK-5500 Middelfart

Telephone:	+45 64 41 46 64
Website:	www.natureplanet.com
CVR no.	40 51 85 09
Established:	14 May 2019
Financial year:	1 January – 31 December

Board of Directors

Toben Ballegaard Sørensen
Oskar Emanuel Lindholm-Wu
Andreas Steinacher
Anne Dorthe Hjort Petersen

Executive Board

Andreas Steinacher

Auditor

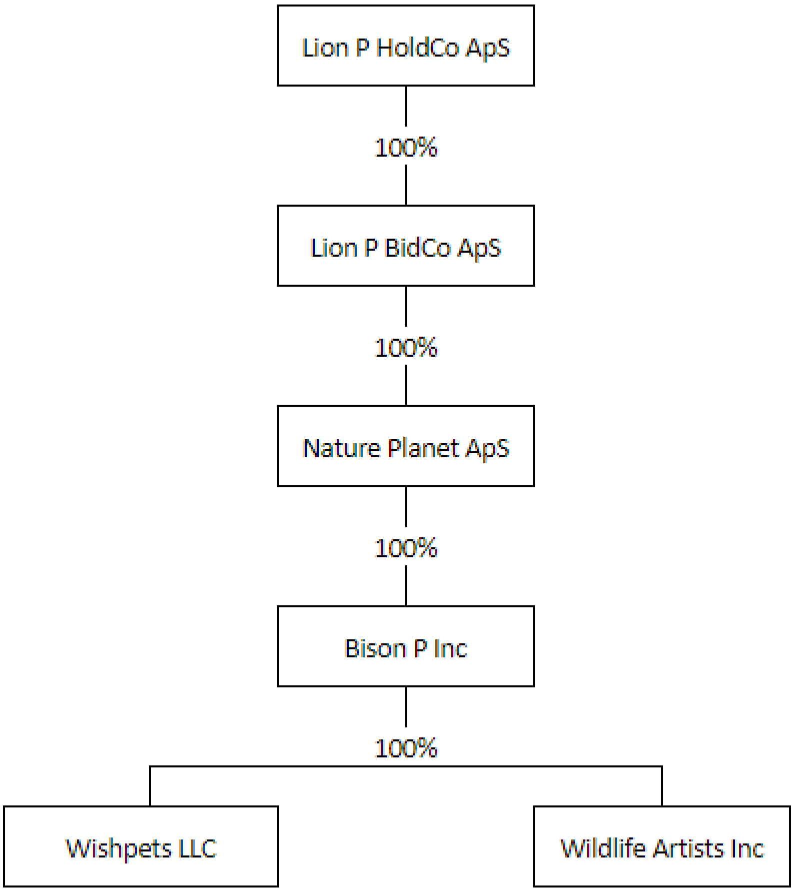
KPMG
Statsautoriseret Revisionspartnerselskab
Vesterballevej 27
DK-7000 Fredericia
CVR no. 25 57 81 98

Annual general meeting

The annual general meeting will be held on 13 July 2023.

Management's review

Group chart



Management's review

Financial highlights for the Group

DKK’000	2022	2021	2020	14/5-31/12 2019
Gross profit/loss	99,377	41,285	37,886	4,740
Operating profit/loss	15,564	-3,060	-4,484	-15,099
Profit/loss from financial income and expenses	-18,549	-4,665	-4,437	-2,526
Profit/loss for the year	-8,361	-12,062	-11,506	-17,801
Total assets	497,511	335,341	238,852	247,943
Investments in property, plant and equipment	1,715	549	1,514	326
Equity	109,819	155,356	94,838	101,945
Return on equity	-6,31%	-9.64%	-11.70%	-17.46%
Solvency ratio	22,07%	43.72%	39.71%	41.11%
Average number of full-time employees	83	37	33	30

The financial ratios have been calculated as follows:

Return on equity $\frac{\text{Profit after tax x 100}}{\text{Average equity}}$

Solvency ratio $\frac{\text{Equity ex. non-controlling interests at year end x 100}}{\text{Total equity and liabilities at year end}}$

Management's review

Operating review

The Group's principal activities

The principal activity of the Company is to own shares in Lion P Bidco ApS, Nature Planet ApS and Bison P. Inc, whose principal activity is wholesale trading in toys and accessories.

Development in activities and financial position

The financial year 2022 was positive impacted by the end COVID-19 pandemic as well as the 2 acquisitions in the United States which impacted revenue and gross profit positive.

The loss for the year was DKK 8,361 thousand as against a loss of DKK 12.062 thousand in 2021

Equity in the Company's balance sheet at 31 December 2022 stood at 109,819 thousand as against DKK

155,356 thousand at 31 December 2021.

Particular risks

There are no particular risks outside the normal business of our industry.

Outlook

The financial results for 2023 will be positively impacted by the fully integration of our two United States acquisitions made at the end of 2021.

Overall, we expect revenue growth in all markets and a gross profit of MDKK 105 – MDKK 120.

Environmental

Its is a high priority for Lion P Holdco and our portfolio companies to operate with a strong focus on

minimizing our environmental footprint and our mantra is to reuse, reduces and recycle whenever feasible.

Events after the balance sheet date

No unusual events have taken place after 31 December 2022 that affects the financial report for 2022.

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

Income statement

		Group		Parent Company	
DKK'000	Note	2022	2021	2022	2021
Gross profit/loss		99,377	41,285	-84	-196
Staff costs	2	-54,644	-22,633	0	0
Depreciation/amortisation		-29,169	-21,712	0	0
Operating profit/loss		15,564	-3,060	-84	-196
Equity investments in subsidiaries		0	0	-4,542	-12,612
Financial income	3	2,050	2,957	4,040	1,831
Financial expenses		-20,599	-7,622	-8,852	-930
Profit/loss before tax		-2,985	-7,725	-9,438	-11,907
Tax on profit/loss for the year	4	-5,376	-4,337	1,077	-155
Profit/loss for the year	5	-8,361	-12,062	-8,361	-12,062

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

Balance sheet

		Group		Parent Company	
DKK'000	Note	31/12 2022	31/12 2021	31/12 2022	31/12 2021
ASSETS					
Fixed assets					
Intangible assets	6				
Goodwill		197,302	225,412	0	0
Completed development projects		2,522	3,012	0	0
		199,824	228,424	0	0
Property, plant and equipment	7				
Fixtures and fittings, tools and equipment		2,223	1,036	0	0
		2,223	1,036	0	0
Investments					
Equity investments in subsidiaries	8	0	0	24,302	26,623
Deposit		904	887	0	0
		904	887	24,302	26,623
Total fixed assets		202,951	230,347	24,302	26,623
Current assets					
Inventories					
Finished goods and goods for resale		167,087	37,512	0	0
Prepayments for goods		70,386	33,381	0	0
		237,473	70,893	0	0
Receivables					
Trade receivables		28,644	17,595	0	0
Receivables from group entities		0	0	106,386	169,876
Other receivables		663	709	0	0
Prepayments	9	3,475	1,555	0	0
Corporation tax		0	0	511	0
		32,782	19,859	106,897	169,876
Cash at bank and in hand		24,305	34,242	1,734	4,096
Total current assets		294,560	124,994	108,631	173,972
TOTAL ASSETS		497,511	355,341	132,933	200,595

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

Balance sheet

DKK'000	Note	Group 31/12 2022	Group 31/12 2021	Parent Company 31/12 2022	Parent Company 31/12 2021
EQUITY AND LIABILITIES					
Equity					
Contributed capital	10	30,298	35,129	30,298	35,129
Reserve for net revaluation according to the equity method		0	0	4,302	6,623
Reserve for development costs		1,967	2,349	1,967	2,349
Retained earnings		77,554	117,878	73,252	111,255
Total equity		109,819	155,356	109,819	155,356
Provisions					
Provisions for deferred tax	11	462	520	0	0
Total provisions		462	520	0	0
Liabilities other than provisions					
Non-current liabilities other than provisions	12				
Payables to credit institutions		188,000	94,248	0	0
Other payables		0	44,652	0	44,653
		188,000	138,900	0	44,653
Current liabilities other than provisions					
Current portion of long-term liabilities		24,000	16,800	0	0
Payables to credit institutions		72.577	0	0	0
Prepayments received from customers		8,299	3,794	0	0
Trade payables		68,478	21,968	21	20
Payables to group entities		0	0	23,093	0
Corporation tax		4,270	3,692	0	566
Other payables, including taxes payable		21,606	14,311	0	0
		199,230	60,565	23,114	586
Total liabilities other than provisions		387,230	199,465	23,114	45,239
TOTAL EQUITY AND LIABILITIES		497,511	355,341	132,933	200,595
Contractual obligations, contingencies, etc.	15				
Related parties	16				
Events after the balance sheet date	17				

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

Statement of changes in equity

	Group			
DKK'000	Contributed capital	Reserve for development costs	Retained earnings	Total equity
Equity at 1 January 2022	35,129	2,349	117,878	155,356
Cash capital increase	82	0	824	906
Capital reduction	-4,913	0	-35,390	-40,303
Exchange adjustment	0	0	2,221	2,221
Transferred over the distribution of loss	0	-382	-7,979	-8,361
Equity at 31 December 2022	30,298	1,967	77,554	109,819

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

Statement of changes in equity

	Parent Company				
DKK'000	Contributed capital	Reserve for net revaluation under the equity method	Reserve for development costs	Retained earnings	Total equity
Equity at 1 January 2022	35,129	6,623	2,349	111,255	155,356
Cash capital increase	82	0	0	824	906
Capital reduction	-4,913	0	0	-35,390	-40,303
Exchange adjustment	0	2,221	0	0	2,221
Transferred over the distribution of loss	0	-4,542	-382	-3,437	-8,361
Equity at 31 December 2022	30,298	4,302	1,967	73,252	109,819

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

Cash flow statement

		Group	
DKK'000	Note	2022	2021
Profit/loss for the year		-8,361	-12,062
Depreciation/amortisation		29,169	21,712
Other adjustments of non-cash operating items	13	26,146	9,002
Cash generated from operations before changes in working capital		46,954	18,652
Changes in working capital	14	-121,210	-19,464
Cash generated from operations		-74,256	-812
Interest income		2,050	2,957
Interest expense		-20,599	-7,622
Corporation tax paid		-4,856	-361
Cash flows from operating activities		-97,661	-5,838
Acquisition of intangible assets		-248	-2,054
Acquisition of property, plant and equipment		-1,715	-553
Disposal of property, plant and equipment		207	75
Acquisition of subsidiaries and activities		0	-73,263
Cash flows from investing activities		-1,756	-75,795
External financing:			
Increase in payables to credit institutions		-39,397	22,814
Increase in equity/capital increase		56,300	72,580
Cash flows from financing activities		16,903	95,394
Cash flows for the year		-82,514	13,761
Cash and cash equivalents at the beginning of the year		34,242	20,481
Cash and cash equivalents at year end		-48,272	34,242
Cash at bank and in hand		24,305	34,242
Payables to bank		-72,577	0
Cash at bank and in hand at year end		-48,272	34,242

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

Notes

1 Accounting policies

The annual report of LION P Holdco ApS for 2022 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

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

Consolidated financial statements

The consolidated financial statements comprise the Parent Company LION P Holdco ApS, and subsidiaries in which LION P Holdco ApS directly or indirectly holds more than 50% of the votes or in some other way exercises control over. Entities in which the Group holds 20% or more of the votes and exercises significant influence but not control are considered associates. Entities for which the objective of the holding is to promote the Group's own activities through a permanent affiliation with the other entity and where the equity interest represents at least 20% of equity in the other entity are considered participating interests. A group chart is included on page 7.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends and realised and unrealised gains and losses on intra-group transactions are eliminated.

Equity investments in subsidiaries are set off against the proportionate share of subsidiaries' fair value of net assets and liabilities at the date of acquisition.

Business combinations

When acquiring new entities, the acquisition method is applied under which identifiable assets and liabilities are measured at fair value at the date of acquisition. Restructuring costs recognised in the acquiree at the acquisition date that are not initiated as a part of the acquisition are included in the pre-acquisition balance sheet and thus the calculation of goodwill. Restructuring that is initiated by the acquirer is recognised in the acquirer’s income statement. Deferred tax is recognized to the extent that temporary differences arise from the revaluations.

Positive differences (goodwill) between cost and the fair value of identifiable assets and liabilities acquired, including restructuring provisions, are recognised as intangible assets and amortised systematically in the income statement based on an individual assessment of the useful life. Negative goodwill is recognised as income in the income statement at the acquisition date when the usual conditions for recognition of income are met.

Goodwill and negative goodwill from acquired entities may be adjusted until 12 months after the acquisition date.

Newly acquired or newly established entities are recognised in the consolidated financial statements at the date of acquisition or establishment. Divested or wound-up entities are recognised in the consolidated income statement up to the date of divestment or winding-up. Comparative figures are not restated to reflect acquisitions, divestments or windings-up.

With regard to step acquisitions, the acquirer must remeasure its previous equity investment in the acquiree at the fair value at the acquisition date. The difference between the carrying amount of the former equity instrument and fair value is recognised in the income statement.

The uniting-of-interests method is applied to business combinations such as the acquisition and disposal of equity investments, mergers, demergers, contribution of assets, share exchanges, etc., between entities controlled by the Parent Company. The uniting of interests is considered to have been completed at the date of the merger without restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquired entity is recognised in equity.

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

Notes

1 Accounting policies (continued)

Gains or losses on the divestment of subsidiaries and participating interests (including associates) are calculated as the difference between the sales amount and the carrying amount of net assets at the date of disposal, including non-amortised goodwill and projected costs of divestment or winding-up.

Non-controlling interests

Items of subsidiaries are fully recognised in the consolidated financial statements. The non-controlling interests' proportionate share of the subsidiaries' profit and of equity is included as part of the Group's profit and equity, respectively, but is presented separately.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates 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, payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to received.

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

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

Notes

1 Accounting policies (continued)

Expenses for consumption of goods

Expenses for consumption of goods comprise consumables used to achieve revenue for the year.

Other external costs

Other external costs comprise distribution costs and costs related to sales, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Income from equity investments in group entities

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the Parent Company's income statement after full elimination of intra-group gains/losses and amortisation of goodwill.

The proportionate share of the individual associates' profit/loss after tax is recognised in the Group's and the Parent Company's income statements after elimination of a proportionate share of intra-group gains/losses and amortisation of goodwill.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

The Parent Company is comprised by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax 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 used the losses to reduce their own taxable profit.

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

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

Notes

1 **Accounting policies (continued)**

Balance sheet

Intangible assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience within the individual business areas. Goodwill is amortised over 10 years.

Development projects

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

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Development projects	5 years

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	2-5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

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

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

Notes

1 Accounting policies (continued)

Equity investments

Equity investments in group entities are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

Both in the Group and the Parent Company, participating interests (including associates) are measured at the proportionate share of the associates' net asset value calculated in accordance with the Group's accounting policies with deduction or addition of unrealised gains and losses and plus or minus the residual value of positive and negative goodwill calculated in accordance with the acquisition method.

Participating interests (including associates) with negative net asset values are measured at DKK 0, and any receivables from these entities are written down to the extent that the receivables are deemed irrecoverable. To the extent that the Parent Company has a legal or constructive obligation to cover a negative balance exceeding the receivable, the residual amount is recognised as provisions.

Other receivables and deposits are recognised at amortised cost.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and participating interests (including associates) is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Inventories

Inventories are measured at cost in accordance with the FIFO method and net realisable value.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, with the addition of repatriation costs.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast 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.

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

Notes

1 Accounting policies (continued)

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

Net revaluation reserve according to the equity method

Net revaluation reserve according to the equity method comprises net revaluation of participating interests (including associates) in proportion to cost.

Dividends that are expected to be received before the balance sheet date are not tied to the reserve.

Reserves may be eliminated in connection with loss, realisation of equity investments or changes in accounting estimates.

Reserves cannot be recognised at a negative amount.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; 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. Any deferred net assets are measured at net realisable value.

Liabilities

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

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1 Accounting policies (continued)

Deferred income

Deferred income comprises payments received regarding income in subsequent years.

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and divestment of entities is shown separately in cash flows from investing activities. Cash flows relating to acquired entities are recognised in the cash flow statement from the date of acquisition, and cash flows relating to divested entities are recognised up to the date of divestment.

Cash flows from operating activities

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 corporation tax paid.

Cash flows from investing activities

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

Cash flows from financing activities

Cash flows from financing activities comprise changes in size or composition of the Company's share capital and costs in this respect as well as raising of loans, instalments on interest-bearing debt and distribution of dividends to owners.

Special items

Special items comprise significant income and costs of a special nature in relation to the Company's usual income-generating operating activities.

Specification of special items, including the line items in which they are recognised in the income statement:

Other operating income

	Group	
DKK'000	2022	2021
Compensation under government aid packages	0	1,003

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2 Staff costs and incentive schemes

	Group	
DKK'000	2022	2021
Wages and salaries	49,202	20,520
Pensions	1,752	1,026
Other social security costs	3,690	1,087
	54,644	22,633
Average number of full-time employees	83	37

In accordance with section 98b(3) of the Danish Financial Statements Act, remuneration of the Executive Board and the Board of Directors is presented as an aggregate single amount.

Staff costs include remuneration and pension of the Group's Executive Board and Board of Directors, DKK 2,775 thousand (2021: DKK 2,555 thousand).

3 Financial income

	Parent Company	
DKK'000	2022	2021
Interest income from group entities	4,027	1,831
Other interest income	13	0
	4,040	1,831

4 Tax on profit/loss for the year

	Group	
DKK'000	2022	2021
Current tax for the year	-5,434	-4,015
Deferred tax adjustment for the year	58	-322
	-5,376	-4,337

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5 Proposed distribution of loss

DKK'000	Parent Company 2022	Parent Company 2021
Proposed dividends for the year	0	0
Reserve for net revaluation under equity method	-4,542	-6,623
Reserve for development costs	-382	1,168
Retained earnings	-3,437	-6,607
	-8,361	-12,062

6 Intangible assets

	Group	
DKK'000	Goodwill	Completed Development projects
Cost at 1 January 2022	276,660	3,568
Additions for the year	0	248
Cost at 31 December 2022	276,660	3,816
Amortisation and impairment losses at 1 January 2022	-51,249	-556
Amortisation for the year	-28,109	-738
Amortisation and impairment losses at 31 December 2022	-79,358	-1,294
Carrying amount at 31 December 2021	197,302	2,522

Completed development projects related to new software solutions for use in the company's future operations and activities.

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7 Investments

	Parent Company	
DKK'000	2022	2021
Equity investments in subsidiaries		
Cost at 1 January 2022	20,000	20,000
Additions	0	0
Disposals	0	0
Cost at 31 December 2022	20,000	20,000
Impairment gains at 1 January 2022	6,623	19,235
Profit/loss for the year	-4,542	-12,612
Exchange rate adjustment	2,221	0
Impairment gains at 31 December 2022	4,302	6,623
Carrying amount at 31 December 2022	24,302	26,623

Name/legal form	Registe-red office	Equity	Profit/loss for the year
		DKK'000	DKK'000
Subsidiaries:			
Lion P Bidco ApS, 100%	Middelfart	24,302	-4,524

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8 Property, plant and equipment

DKK'000	Group Fixtures and fittings, tools and equip-ment
Cost at 1 January 2022	4,581
Additions	1,715
Disposals	-1,049
Cost at 31 December 2022	5,247
Depreciation and impairment losses at 1 January 2022	-3,545
Depreciation	-321
Depreciation on disposals	842
Depreciation and impairment losses at 31 December 2022	-3,024
Carrying amount at 31 December 2022	2,223

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9 Prepayments

Prepayment comprise prepayment of costs incurred relating to subsequent financial years.

10 Contributed capital

Contributed capital consists of:

A shares, shares of nom. TDKK 9,090
B shares, shares of nom. TDKK 21,208

	Group			
DKK'000	2022	2021	2020	2019
Contributed capital	30,298	35,129	20,735	20,000

11 Deferred tax

	Group	
DKK'000	2022	2021
Deferred tax at 1 January	-520	-198
Deferred tax adjustment for the year in the income statement	58	-322
	-462	-520

12 Non-current liabilities other than provisions

Liabilities other than provisions can be specified as follows:

	Group	
DKK'000	2022	2021
Mortgage credit institutions:		
0-1 years	24,000	16,800
1-5 years	188,000	138,900
>5 years	0	0
	212,000	155,700

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DKK'000	Group 2022	Group 2021
13 Other adjustments		
Other financial income	-2,050	2,957
Financial expenses	20,599	-7,622
Exchange rate adjustment	2,221	0
Tax on profit/loss for the year	5,376	-4,337
	26,146	-9,002

DKK'000	Group 2022	Group 2021
14 Changes in working capital		
Change in inventories	-166,580	-31,744
Change in receivables	-12,940	-16,863
Change in trade and other payables	58,310	29,143
	-121,210	-19,464

15 Contractual obligations, contingencies, etc.

DKK'000	Group 2022	Group 2021
Charges and collateral		
The following assets have been placed as collateral with bankers:		
A company charge of DKK 2,500 thousand on unsecured claims, inventories, machinery and equipment as well as goodwill, etc. of a total carrying amount of:	191,700	51,301
Rent and lease obligations		
Total lease obligation (2023-2026)	1,514	133
Total future rent obligations (2023-2026)	7,065	6,245

Other contingent liabilities, parent

The Company has provided guarantee for Lion P Bidco ApS bank engagement

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Notes

16 Related parties

LION P Holdco ApS' related parties comprise the following:

Related party transactions

Interest income from group entities is disclosed in note 3

Remuneration of the Parent Company's Executive Board and Board of Directors is disclosed in note 2

Control

Procuritas Capital Investors VI AB, Biblioteksgatan 3, 11146 Stockholm, Sweden.

Procuritas Capital Investors VI AB holds the majority of the contributed capital in the Company.

17 Events after the balance sheet date

No unusual events have taken place after 31 December 2022 that affects the financial report for 2022.