Rainbow TopCo ApS

C/O Hobbii A/S Dortheavej 12A, 1., 2400 København NV

CVR no. 43 19 35 89

Annual report 2022

(As of the establishment of the Company 12 April - 31 December 2022)

Approved at the Company's annual general meeting on 19 June 2023

Chair of the meeting:

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Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Rainbow TopCo ApS for the financial year as of the establishment of the Company 12 April - 31 December 2022.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2022 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year as of the establishment of the Company 12 April - 31 December 2022.

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

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

Copenhagen, 19 June 2023
Executive Board:

Jeppe Kallesøe Odefey

Board of Directors:

Johannes Emil Kjærsgaard Gadsbøll
Chair

Jens Reimer Olesen

Morten Petersen

Nils Kristof Tipsmark Bouchet

Daniel Erik Philip Ahlstrand

Independent auditor's report

To the shareholders of Rainbow TopCo ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Rainbow TopCo ApS for the financial year as of the establishment of the Company 12 April - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year as of the establishment of the company 12 April - 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" (herinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Management's responsibilities for the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 the 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:

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- 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 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 financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

Copenhagen, 19 June 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Kennet Hartmann
State Authorised Public Accountant
mne40036

Simon Blendstrup
State Authorised Public Accountant
mne44060

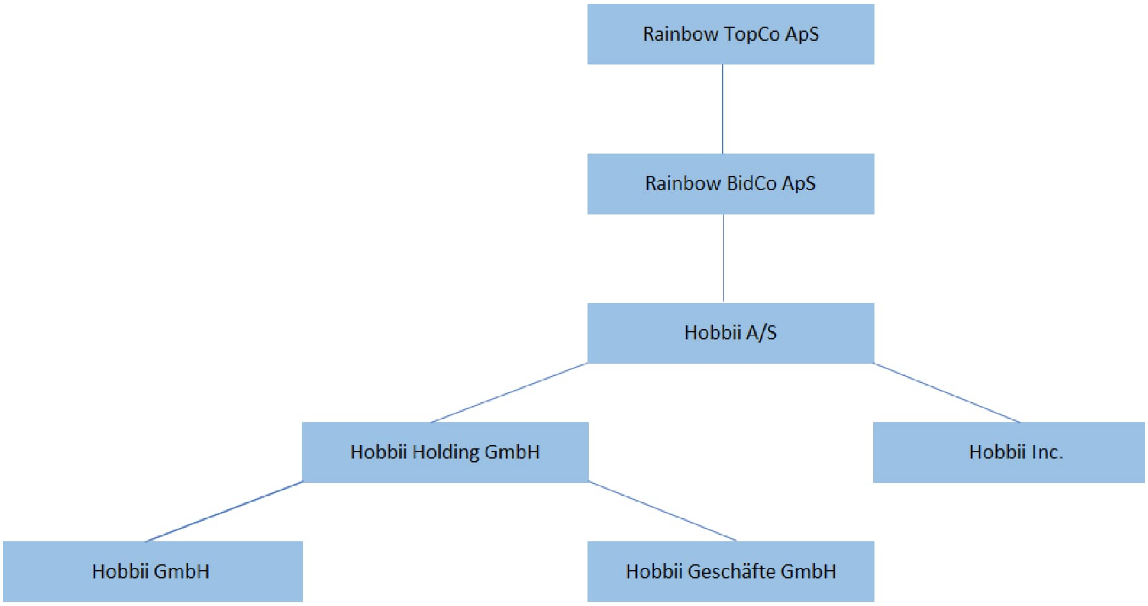
Management's review

Company details

Name	Rainbow TopCo ApS
Address, Postal code, City	C/O Hobbii A/S Dortheavej 12A, 1., 2400 København NV
CVR no.	43 19 35 89
Established	12 April 2022
Registered office	København
Financial year	12 April - 31 December 2022
Website	https://hobbii.dk/
E-mail	finance@hobbii.dk
Telephone	+45 78 77 21 77
Board of Directors	Johannes Emil Kjærsgaard Gadsbøll, Chair Jens Reimer Olesen Morten Petersen Nils Kristof Tipsmark Bouchet Daniel Erik Philip Ahlstrand
Executive Board	Jeppe Kallesøe Odefey
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Group chart



Management's review

Financial highlights for the Group

DKK'000	2022 9 months
Key figures	
Revenue	351,188
Gross profit	78,456
Net financials	-7,620
Profit/loss for the year	**-43,663**
Total assets	904,063
Investments in property, plant and equipment	3,073
Equity	**623,823**
Cash flows from operating activities	24,180
Net cash flows from investing activities	-419,928
Total cash flows	**38,814**
Financial ratios	
Gross margin	22.3%
EBITDA-margin	5.2%
Return on assets	-4.6%
Equity ratio	69.0%
Return on equity	-7.0%
Adjusted equity ratio	88.8%
Average number of full-time employees	**271**

The financial ratios stated under "Financial highlights" have been calculated as follows:

Gross margin $$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$$

EBITDA-margin $$\frac{\text{Earnings before interest, taxes and amortisations (EBITDA) x 100}}{\text{Revenue}}$$

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

Equity ratio $$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$$

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

We have included “Adjusted equity ratio” where all cash positions across bank accounts (Cash) are netted out against all drawdowns across bank accounts (Bank debt). We believe this gives a more accurate presentation of our balance sheet.

Management's review

Business review

The main activity of Rainbow TopCo is the ownership of Hobbii A/S through the fully owned subsidiary Rainbow BidCo ApS. This review therefore focuses on the activities in Hobbii A/S.

Hobbii serves the global knitting and crocheting community by inspiring creativity and selling yarn and related accessories through ecommerce and eight physical stores in Denmark and Germany.

The company currently buys the majority of products through Danish wholesalers, transport them to their warehouse outside Copenhagen and sell them to yarn enthusiasts all over the world.

Financial review

Rainbow TopCo was established in April 2022, and the numbers in this report therefore cover a 9-month period. Please note that the acquisition of the shares in Hobbii A/S was completed in mid-May, so the consolidated numbers for the Group only includes Hobbii's activities from mid-May onwards.

For FY22 the Rainbow TopCo Group realised net revenue of DKK 351.2 million, EBITDA of DKK 18.3 million and a net profit of DKK -43.7 million, which were in line with expectations.

Knowledge resources

As a tech-based company we depend on specialised knowledge and skill to build and maintain our business. Our critical business knowledge is increasingly being formalised and documented, to avoid dependencies on lore and particular individuals. Though these initiatives make our current processes more robust, the continuous development of Hobbii still depends on our ability to retain and attract skilled and driven employees.

Financial risks and use of financial instruments

As a company selling directly to end-users, we are inherently exposed to the general spending patterns and disposable income of our target customers. We have addressed this risk through geographical diversification, but we are still somewhat exposed to global economic cycles.

Being geographically diversified, introduces currency risks as our base currency is DKK. We have a high volume of transactions every day, and therefore we assess the cost of currency hedging to outweigh the benefits. Operating in a global environment also involves the challenges of staying updated and compliant with local rules and regulations.

In addition, we are aware of the risks associated with cyber attacks and tech-related disturbances, and we will be implementing a number of initiatives during FY23 to address these. During FY23 it will be essential to successfully implement the automation of our warehouse in addition to managing any potential outside disruptions to our inbound or outbound supply chain.

Research and development activities

The company's development projects in progress relate to a further development of the company's existing sales platforms, including new features. The purpose of the further development is to increase the company's earnings. The company has made market research and it is the management's assessment that the products have future earnings base as the company experiences a high demand from customers on the technological development within e-commerce.

Further, the company's development projects in progress relate to further development of the company's internal systems, including automations and implementation of new platforms for controlling the daily operation of the company. The primary purpose of the projects is to make the company's business procedures more effective and to optimize the employees' resources.

Management's review

Statutory CSR report

Please see "Key Activities" for a short introduction to our business model.

Climate and Environment

As a consumer goods company, our business model inherently relies on consumption, which has an adverse impact on our planet by contributing to greenhouse gas emissions and depletion of non-renewable resources. However, our products encourage a slower lifestyle, focus on craftsmanship, care, and durability, which means our customers invest time and skill to create long-lasting items. It is our policy to minimise the negative impact our business has on the planet and local environments.

Producing tangible goods can have negative consequences on both the global climate and the local environment, and to address this we partner with reputable suppliers.
During FY22 we have continued the implementation of a formal Code of Conduct, which most of our major suppliers have signed. The code requires our suppliers to integrate environmental considerations in their operations and make every effort to mitigate or minimise any adverse impacts on the environment.

In the year to come we will aim to increase the number of signatories among our supplier base.

Shipping goods globally has a negative impact on the environment. During FY22 we have not taken any actions to reduce our greenhouse gas emissions, but during FY23 we will be looking to formulate tangible initiatives to reduce our carbon footprint.

Staff

Our success is directly tied to the quality of our team. We prioritise a safe, inspiring, and inclusive work environment that fosters collaboration and professional growth. In the event we fail fully or partly in this endeavour, it will have a negative impact on our business. Further, there are inherent safety risks associated with having warehouse operations and retail stores.

We monitor the wellbeing of our office-based employees every month through anonymous surveys, and our employee satisfaction rates are consistently in the upper quartile of comparable companies.

During FY22 we have continued the process of implementing a collective agreement to ensure fair working conditions across our warehouse operations and Danish retail stores, and we work closely with the employee representatives to address any issues and facilitate changes when needed. Additionally, we have implemented a whistleblower program with a direct line to a dedicated member of our Board of Directors to ensure accountability and transparency.

We expect to continue our work with ensuring a healthy work life for our employees for the year to come.

Social factors

As members of the communities we serve, we believe in contributing positively to society. We create job opportunities for skilled and unskilled workers and pay taxes in the countries where we do business. We also support initiatives that promote kindness and mental well-being, recognising the positive impact our customers' use of our products can have on their mental well-being and happiness.

Human rights

We believe that upholding human rights is fundamental. We draw our understanding of these rights from the Universal Declaration of Human Rights, its related treaties and declarations, and the broader ethical reasoning behind their development.

We currently source the majority of our products through Danish wholesalers, where we have not experienced violation of human rights to be an issue. As we increase the number of products sourced directly from producers in other parts of the world, there is an increased risk that we inadvertently do business with companies who do not share our beliefs.

During FY22 we have continued the implementation of a Code of Conduct which clearly dictates the requirements for working with Hobbii, including a commitment to honouring human rights and facilitating a safe and inclusive work environment. After its implementation most of our major suppliers have signed the Code of Conduct.

Management's review

In the year to come, we will aim to increase the number of signatories among our suppliers.

Fighting corruption and bribery

We have a zero-tolerance policy for corruption and bribery and do not accept any form of direct or indirect money, goods or services that may be considered part of recognised local or international corruption or bribery practice.

We have not experienced any issues with bribery or corruption among our current Danish wholesalers, but we are mindful that this can potentially be an issue when sourcing products in other parts of the world.

We communicate our policy to all employees, and during FY22 it has also been formalised by the continued implementation of our Code of Conduct, which most of our main suppliers have signed. We always seek to do business with reputable counterparts, and during the year we have not identified any cases related to corruption or bribery.

In the year to come, we will aim to increase the number of signatories among our suppliers.

Account of the gender composition of Management

Our commitment to diversity and inclusion is a priority at Hobbii. We strive for a management team that is diverse and inclusive, with no more than 80%of any layer of management (based on headcount) consisting of individuals with the same gender identity. For Rainbow TopCo this policy only applies to the Board of Directors, as the Executive Management consists of one member.

The boards of neither Rainbow TopCo nor Hobbii meet this target, as they consist of the same five individuals who are all male. The Board consists of two founders, two representatives from Verdane and one independent Chairman. All Board Members were deeply involved in the acquisition of Hobbii, and were elected to the Board on these merits. No non-male candidates shared the same qualifications. We are committed to having at least one non-male Board Member within three years.

The Executive Management of Rainbow TopCo consists of one member, who is male. Achieving a gender composition which meets or exceeds our target will be a priority in its future development.

We have not implemented any specific initiatives to affect gender composition as the ratio has been fairly stable.

We strive to offer equal opportunities to all employees, including initiatives such as paid parental leave for the co-parent and flexibility in job roles.

Data ethics

At Hobbii, we take our responsibility for processing customer and user data seriously. We strive to limit the processing of sensitive personal information to what is necessary for operational purposes, customer-specific activities, and personnel administration. We do not have an explicit policy for data ethics. The reason we do not have a separate policy in place for data ethics is that all Hobbii employees and partners are obliged to handle personal data responsibly and in accordance with our GDPR and privacy policies.

Events after the balance sheet date

We have signed a contract for an automation system for our warehouse in Greve, which will be installed in 2023 and is expected to lead to operational benefits from 2024 onwards.

No other events have occurred after the balance sheet which could significantly affect the Group's financial position.

Management's review

Outlook

Despite the continuing global macroeconomic conditions that shaped FY21/22, we expect a modest topline growth in 2023, but given the significant global uncertainties it is difficult to predict the exact outcome of the year. We aim to increase profitability as raw material prices and transportation costs normalise, but this effect may be offset by inflationary cost pressures. Investments in operational and commercial improvements during the year will impact profitability negatively. For FY23, we anticipate net revenue for the Group and for Hobbii A/S to reach DKK 500 million to 700 million and EBITDA to be between DKK 20 million and 50 million.

Consolidated financial statements and parent company financial statements for the period 12 April - 31 December 2022

Income statement

Note	DKK'000	Group 2022 9 months	Parent company 2022 9 months
3	**Revenue**	351,188	0
	Cost of sales	-174,575	0
	Other operating income	35	0
4	Other external expenses	-98,192	-229
	Gross profit	78,456	-229
5	Staff costs	-60,195	0
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-59,441	0
	Profit/loss before net financials	-41,180	-229
	Income from investments in group enterprises	0	-43,466
	Financial income	1,129	3
	Financial expenses	-8,749	-7
	Profit/loss before tax	-48,800	-43,699
6	Tax for the year	5,137	36
	Profit/loss for the year	-43,663	-43,663

Consolidated financial statements and parent company financial statements for the period 12 April - 31 December 2022

Balance sheet

Note	DKK'000	Group 2022	Parent company 2022
	ASSETS		
	Fixed assets		
7	**Intangible assets**		
	Completed development projects	8,022	0
	Acquired intangible assets	50	0
	Company trade name	119,871	0
	Customer relationships	113,651	0
	Goodwill	393,137	0
	Development projects in progress	15,861	0
		650,592	0
8	**Property, plant and equipment**		
	Fixtures and fittings, other plant and equipment	5,609	0
	Leasehold improvements	8,627	0
		14,236	0
9	**Investments**		
	Investments in group enterprises	0	620,209
	Deposits	6,150	0
		6,150	620,209
	Total fixed assets	670,978	620,209
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	95,137	0
	Prepayments for goods	975	0
		96,112	0
	Receivables		
	Trade receivables	3,956	0
12	Deferred tax assets	0	36
	Corporation tax receivable	1,386	0
	Other receivables	12,474	2,000
10	Prepayments	6,186	0
		24,002	2,036
	Cash	112,971	1,738
	Total non-fixed assets	233,085	3,774
	TOTAL ASSETS	904,063	623,983

Consolidated financial statements and parent company financial statements for the period 12 April - 31 December 2022

Balance sheet

		Group	Parent company
Note	**DKK'000**	**2022**	**2022**
	EQUITY AND LIABILITIES		
	Equity		
11	Share capital	1,173	1,173
	Share premium account	0	0
	Retained earnings	622,650	622,650
	Total equity	623,823	623,823
	Provisions		
12	Deferred tax	54,694	0
14	Other provisions	20,635	0
	Total provisions	75,329	0
	Liabilities other than provisions		
13	**Non-current liabilities other than provisions**		
	Other payables	2,535	0
		2,535	0
	Current liabilities other than provisions		
	Bank debt	74,157	0
	Trade payables	100,329	160
	Corporation tax payable	192	0
	Other payables	27,698	0
		202,376	160
	Total liabilities other than provisions	204,911	160
	TOTAL EQUITY AND LIABILITIES	904,063	623,983

1 Accounting policies
2 Events after the balance sheet date
15 Contractual obligations and contingencies, etc.
16 Collateral
17 Related parties
18 Appropriation of profit/loss

Consolidated financial statements and parent company financial statements for the period 12 April - 31 December 2022

Statement of changes in equity

Note	DKK'000	Group			
		Share capital	Share premium account	Retained earnings	Total
	Cash payments concerning formation of enterprise	40	0	0	40
	Capital increase	1,133	666,313	0	667,446
	Transfer through appropriation of loss	0	0	-43,663	-43,663
	Transferred from share premium account	0	-666,313	666,313	0
	Equity at 31 December 2022	1,173	0	622,650	623,823

Note	DKK'000	Parent company			
		Share capital	Share premium account	Retained earnings	Total
	Cash payments concerning formation of enterprise	40	0	0	40
	Capital increase	1,133	666,313	0	667,446
18	Transfer, see "Appropriation of profit/loss"	0	0	-43,663	-43,663
	Transferred from share premium account	0	-666,313	666,313	0
	Equity at 31 December 2022	1,173	0	622,650	623,823

Consolidated financial statements and parent company financial statements for the period 12 April - 31 December 2022

Cash flow statement

Note	DKK'000	Group 2022 9 months
	Profit/loss for the year	-43,663
19	Adjustments	61,924
	Cash generated from operations (operating activities)	18,261
20	Changes in working capital	12,465
	Cash generated from operations (operating activities)	30,726
	Interest received, etc.	64
	Other financial income	1,065
	Interest paid, etc.	-1,978
	Income taxes paid	-49
	Other financial expenses	-5,648
	Cash flows from operating activities	24,180
	Additions of intangible assets	-6,690
	Additions of property, plant and equipment	-3,073
	Disposals of property, plant and equipment	80
21	Acquisition of companies and activities	-410,245
	Cash flows to investing activities	-419,928
	Repayments of loan to old share holders	-5,249
	Share capital	40
	Cash capital increase	1,133
	Share premium	438,638
	Cash flows from financing activities	434,562
	Net cash flow	38,814
	Cash and cash equivalents at 12 April	0
	Cash and cash equivalents at 31 December	38,814

Consolidated financial statements and parent company financial statements for the period 12 April - 31 December 2022

Notes to the financial statements

1 Accounting policies

The annual report of Rainbow TopCo ApS for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

Omission of a cash flow statement

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

Reporting currency

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

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company and group entities controlled by the Parent Company.

Control means a parent company's power to direct a group entity's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

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

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

Preparation of consolidated financial statements

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

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

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

Consolidated financial statements and parent company financial statements for the period 12 April - 31 December 2022

Notes to the financial statements

1 Accounting policies (continued)

Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' equity interest.

Goodwill relating to the non-controlling interests' share of the acquiree is recognised.

External business combinations

Recently acquired entities are recognised in the consolidated financial statements from the date of acquisition. Entities sold or otherwise disposed of are recognised up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities.

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

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

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill under "Intangible assets". Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

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

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

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

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

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

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

Consolidated financial statements and parent company financial statements for the period 12 April - 31 December 2022

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2020.

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

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue, distribution costs and payment costs to payment providers.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

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

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

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

Company trade name	10 years
Customer relationships	5 years
Goodwill	10 years
Completed development projects	3 years
Acquired other similar rights	5 years
Fixtures and fittings, other plant and equipment	3-5 years
Leasehold improvements	5 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Consolidated financial statements and parent company financial statements for the period 12 April - 31 December 2022

Notes to the financial statements

1 Accounting policies (continued)

Profit/loss from investments in group entities

The income statement includes the proportional share of the underlying companies' profit or loss after elimination of internal profit/loss and after tax. In group entities, the full elimination of internal profit and loss is carried out without regard to ownership shares.

The proportionate share of the individual group entities' profit/loss after tax after full elimination of internal gains/losses are recognised in the parent company's income statement.

The item includes dividend received from group entities.

Financial income and expenses

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

Tax

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

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

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

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

Balance sheet

Intangible assets

Goodwill is recognised at cost. Subsequently, goodwill is measured at cost less accumulated amortisation and impairment losses.

Goodwill is amortised over the expected economic life of the asset, measured by reference to an assessment of Management’s experience in the individual business markets, earnings and market position of the aquired entity etc. Goodwill is amortised on a straight-line basis over the amortisation period, which is 10 years.

Other intangible assets include development projects and other acquired intangible assets, company trade name and customer relationships.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

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

Consolidated financial statements and parent company financial statements for the period 12 April - 31 December 2022

Notes to the financial statements

1 Accounting policies (continued)

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

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

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is 3 years.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight line basis over the remaining term of the patent, and licences are amortised over the term of the licence, but not exceeding 5 years.

Property, plant and equipment

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

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

Deposits

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

Investments in group entities

Equity investments in group entities are measured according to the equity method in the consolidated financial statements.

On initial recognition, equity investments in group entities are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in group entities measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in group entities and associates is assessed for impairment on an annual basis.

Consolidated financial statements and parent company financial statements for the period 12 April - 31 December 2022

Notes to the financial statements

1 Accounting policies (continued)

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

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

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

Inventories

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

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

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

Receivables are measured at amortised cost.

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

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

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

Prepayments

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

Cash

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

Consolidated financial statements and parent company financial statements for the period 12 April - 31 December 2022

Notes to the financial statements

1 Accounting policies (continued)

Equity

Share classes

Certain share classes have special economic rights in respect of allocation of proceeds. Those rights have been evaluated and judgement has been applied in connection with classification of the shares as equity.

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in group entities and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Income taxes

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

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

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

Consolidated financial statements and parent company financial statements for the period 12 April - 31 December 2022

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

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

Other liabilities are measured at net realisable value.

Cash flow statement

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

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

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

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

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

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

2 Events after the balance sheet date

The Group have signed a contract for an automation system for our warehouse in Greve, which will be installed in 2023 and is expected to lead to operational benefits from 2024 onwards.

No other events have occurred after the balance sheet which could significantly affect the Group's financial position.

Consolidated financial statements and parent company financial statements for the period 12 April - 31 December 2022

Notes to the financial statements

DKK'000	Group 2022 9 months	Parent company 2022 9 months
3 Segment information		
Breakdown of revenue by business segment:		
E-Commerce	326,254	0
Retail	24,934	0
	351,188	0
Breakdown of revenue by geographical segment:		
Nordics	95,799	0
Germany	87,026	0
Rest of Europe	90,855	0
United States	58,672	0
Rest of world	18,836	0
	351,188	0

DKK'000	Group 2022 9 months
4 Fee to the auditors appointed in general meeting	
Total fees to EY	905
Statutory audit	394
Assurance engagements	20
Tax assistance	32
Other assistance	459
	905

Consolidated financial statements and parent company financial statements for the period 12 April - 31 December 2022

Notes to the financial statements

	DKK'000	Group 2022 9 months	Parent company 2022 9 months
5	**Staff costs and incentive programmes**		
	Wages/salaries	61,872	0
	Pensions	684	0
	Other social security costs	2,252	0
	Staff costs transferred to development projects	-4,613	0
		60,195	0
	Average number of full-time employees	271	0

Total remuneration to the Executive Board and Board of Directors: DKK 922

Incentive programmes

During 2022, equity-based incentive programs were implemented covering management and the majority of fulltime, salaried employees at the time. The aim is to incentivize and retain employees, as continued participation in the programs is tied to the participant's employment in Hobbii A/S. As of 31 December 2022, a total of 77,707 warrants had been issued under the programs in Hobbii A/S's parent company Rainbow TopCo Aps.

	DKK'000	Group 2022 9 months	Parent company 2022 9 months
6	**Tax for the year**		
	Estimated tax charge for the year	192	0
	Deferred tax	-5,329	-36
		-5,137	-36

Consolidated financial statements and parent company financial statements for the period 12 April - 31 December 2022

Notes to the financial statements

7 Intangible assets

	Group						
DKK'000	**Completed development projects**	**Acquired intangible assets**	**Company trade name**	**Customer relationships**	**Goodwill**	**Development projects in progress**	**Total**
Additions on merger/corporate acquisition	11,439	84	127,862	129,887	419,346	10,049	698,667
Additions	0	0	0	0	0	6,690	6,690
Transferred	878	0	0	0	0	-878	0
Cost at 31 December 2022	12,317	84	127,862	129,887	419,346	15,861	705,357
Amortisation for the year	4,295	34	7,991	16,236	26,209	0	54,765
Impairment losses and amortisation at 31 December 2022	4,295	34	7,991	16,236	26,209	0	54,765
Carrying amount at 31 December 2022	8,022	50	119,871	113,651	393,137	15,861	650,592
Amortised over	3 years	5 years	10 years	5 years	10 years		

Completed development projects

Completed development projects primarily relate to development of the company's customer oriented internal systems
and adding several new features. The primary purpose of the projects is to achieve an economical advantage in the company’s industry as well as to make the company's business procedures more efficient which will enable savings on the employees’ resources.
The completed development projects will contribute positively to future growth, savings, and earnings. The company's management has not identified indications of impairment in relation to the booked values of the projects.

Development projects in progress

The company's development projects in progress relate to a further development of the company's existing sales platforms, including new features. The purpose of the further development is to increase the company's earnings. The company has made market research and it is the management's assessment that the products have future earnings base as the company experiences a high demand from customers on the technological development within e-commerce.

Further, the company's development projects in progress relate to further development of the company's internal systems, including automations and implementation of new platforms for controlling the daily operation of the company. The primary purpose of the projects is to make the company's business procedures more effective and to optimize the employees' resources.

Consolidated financial statements and parent company financial statements for the period 12 April - 31 December 2022

Notes to the financial statements

8 Property, plant and equipment

	Group		
DKK'000	**Fixtures and fittings, other plant and equipment**	**Leasehold improvements**	**Total**
Additions on merger/corporate acquisition	7,497	8,378	15,875
Additions	826	2,247	3,073
Disposals	-70	0	-70
Cost at 31 December 2022	8,253	10,625	18,878
Depreciation	2,678	1,998	4,676
Depreciation and impairment of disposals	-34	0	-34
Impairment losses and depreciation at 31 December 2022	2,644	1,998	4,642
Carrying amount at 31 December 2022	5,609	8,627	14,236
Depreciated over	3-5 years	3-5 years	

Note 16 provides more details on security for loans, etc. as regards property, plant and equipment.

9 Investments

	Group
DKK'000	**Deposits**
Cost at 12 April 2022	0
Additions on merger/corporate acquisition	5,678
Additions	472
Cost at 31 December 2022	6,150
Carrying amount at 31 December 2022	6,150

Consolidated financial statements and parent company financial statements for the period 12 April - 31 December 2022

Notes to the financial statements

9 Investments (continued)

DKK'000	Parent company Investments in group enterprises
Cost at 12 April 2022	0
Additions on merger/corporate acquisition	663,675
Cost at 31 December 2022	663,675
Profit/loss for the year	-43,466
Value adjustments at 31 December 2022	-43,466
Carrying amount at 31 December 2022	620,209

PPA values on the first recognition of the group enterprise, Hobbii A/S amounts to DKK 620 million, which comprise of company trade name DKK 128 million, customer relationships DKK 130 million, goodwill DKK 419 million and deffered tax related to PPA values DKK -57 million.

Amortisation related to PPA values amounts to DKK 50 million, which comprise of amortisation related to company trade name DKK 8 million, customer relationships DKK 16 million and goodwill DKK 26 million.

Adjustment of deferred tax related to PPA values amounts to DKK 5 million, which comprise of adjustment of deferred tax related to company trade name DKK 2 million and customer relationships DKK 3 million.

The carrying amount of the PPA values at 31 December is DKK 575 million.

Parent company

Name	Legal form	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Rainbow BidCo ApS	ApS	Copenhagen	100.00%	620,209	-43,466
Hobbii A/S	A/S	Copenhagen	100.00%	44,783	4,454
Hobbii Holding GmbH	GmbH	Hamburg	100.00%	72	-54
Hobbii GmbH	GmbH	Handewitt	100.00%	78	-72
Hobbii Geschäfte GmbH	GmbH	Hamburg	100.00%	315	2,359
Hobbii Inc.	Inc.	Delaware	100.00%	0	0

The stated interest above are voting interest

Information regarding the German subsidiaries is of 30 June 2022. Hobbii Inc. is established in the financial year, no annual report has been published.

10 Prepayments

Group

Prepayments include accrual of expenses relating to subsequent financial years, DKK 6,186 thousand.

Consolidated financial statements and parent company financial statements for the period 12 April - 31 December 2022

Notes to the financial statements

11 Share capital

The share capital consists of 1,173 thousand shares divided into 74 thousand A-shares, 742 thousand B-shares, 324 thousand C-shares and 33 thousand D-Shares, each with a nominal value of 1 DKK.
Each B and C share of DKK 1 carries one vote at the general meeting. The A and D share are non-voting and without representation right.

For the different share classes there are separate economic rights in connection to distribution of proceeds in accordance with the Company's Articles of Association, which will be followed if distribution of proceeds will be decided in the coming years.

Changes in the share capital in the past year:

DKK'000	**2022**
Establishment	40
Capital increase	1,133
	1,173

The share premium account of DKK 666,313 thousand consists of DKK 438,638 thousand paid in cash and DKK 227,675 in non-cash capital increase (reinvestment amount etc.)

	Group	**Parent company**
DKK'000	**2022**	**2022**
12 Deferred tax		
Additions on merger/corporate acquisition	60,086	0
Deferred tax of the results of the year	-5,392	-36
Deferred tax at 31 December	54,694	-36
Deferred tax relates to:		
Intangible assets	55,835	0
Property, plant and equipment	-542	0
Provisions	-51	0
Tax loss	-548	-36
	54,694	-36

13 Non-current liabilities other than provisions

	Group			
DKK'000	**Total debt at 31/12 2022**	**Repayment, next year**	**Long-term portion**	**Outstanding debt after 5 years**
Other payables	2,535	0	2,535	2,535
	2,535	0	2,535	2,535

Consolidated financial statements and parent company financial statements for the period 12 April - 31 December 2022

Notes to the financial statements

		Group	Parent company
	DKK'000	**2022**	**2022**
14	**Other provisions**		
	Other provisions through mergers and business combinations	9,380	0
	Provisions utilised in the year	-2,347	0
	Provisions in the year	13,602	0
	Other provisions at 31 December	20,635	0
	The provisions are expected to be payable in:		
	0-1 year	15,361	0
	> 1 year	5,274	0
		20,635	0

Provisions consist of provisions for Sales Tax and VAT in countries outside the EU as well asprovisions for Customer Loyalty Programs.

The company is currently in the process of being registered for Sales Tax and VAT in countries wherethe company has exceeded the distance selling limits. There are uncertainties associated with theprovided provisions as well as the timing of the due dates for the provisions. The booked value of theprovisions has been prepared based on best estimates and in cooperation with local experts and thusthe management believes that this presents a fair view of the provisions

Consolidated financial statements and parent company financial statements for the period 12 April - 31 December 2022

Notes to the financial statements

15 Contingent liabilities and other financial obligations

Contingent liabilities

	Group	Parent company
DKK'000	**2022**	**2022**
Rent liabilities	66,721	0
	66,721	0

Group

The Group has an lease liability concerning rent for offices and warehousing facilities. Apart from rent, the company has not undertaken any other lease liabilities. Lease liability due >5 years is DKK 16,071 thousand.

16 Collateral

As security for Hobbii A/S' bank loans of DKK 74,157 thousand at 31 December 2022 and guaranteecommitments of DKK 13,842 thousand, the company has provided security in company assets representing anominal value of DKK 100,000 thousand. The total carrying amount of these assets is DKK 144,236 thousand. Breakdown of the carrying amount at 31 December 2022:

- Intangible assets at a carrying amount of DKK 29,933 thousand.
- Tangible assets at a carrying amount of DKK 14,235 thousand.
- Inventories at a carrying amount of DKK 96,111 thousand.

The share capital in Hobbii A/S at a nominal value of DKK 40,545 thousand and a carrying amount of the investments in subsidiaries of DKK 620,209 thousand have been put up as security for Hobbii A/S' debt to banks, as per 31 December 2022 the debt amounts to DKK 74,157 million.

17 Related parties

Group

Rainbow TopCo ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Goldcup 100920 AB	Sweden	Participating interest

Information on the remuneration to management

Information on the remuneration to Management appears from note 5, "Staff costs".

Information about security for loans relating to group entities

Information about security for loans relating to group entities appears from 16, "Collateral".

Consolidated financial statements and parent company financial statements for the period 12 April - 31 December 2022

Notes to the financial statements

	DKK'000	Parent company 2022 9 months
18	**Appropriation of profit/loss**	
	Recommended appropriation of profit/loss	
	Retained earnings/accumulated loss	-43,663
		-43,663
19	**Adjustments**	
	Amortisation/depreciation and impairment losses	59,442
	Financial income	-1,129
	Financial expenses	8,749
	Tax for the year	-5,138
		61,924
20	**Changes in working capital**	
	Change in inventories	-26,188
	Change in receivables	-4,207
	Change in trade and other payables	42,860
		12,465
21	**Acquisition of enterprises and activities**	
	Intangible assets	279,321
	Property, plant and equipment	15,875
	Investments	5,678
	Inventories	69,924
	Receivables	18,881
	Coporations tax	1,337
	Cash	19,379
	Other provisions	-9,380
	Deferred tax	-60,086
	Trade payables	-73,924
	Other payables	-29,052
		237,953
	Goodwill	419,346
	Cost of acquisition	657,299
	Cash	-19,379
	Reinvestment amount etc.	-227,675
	Cost of acquisition paid in cash	410,245

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